



## Recommendations to Fund Primary Care Payment Increases

ACP believes that it is imperative that Congress fund immediate and sustained increases in payments for primary care to make it competitive with other career choices and to help struggling primary care practices keep their doors open. *Doing nothing—or providing payment adjustments that are so small that they will have little or no impact on reversing the shortage of primary care physicians—must not be viewed as an acceptable outcome.*

Although Congress could fund primary care through budget neutral adjustments in the Medicare physician fee schedules, this option has several distinct disadvantages—including the likelihood that it will face strong opposition from other stakeholders that will undermine the political support needed to improve payments for primary care.

ACP believes that instead of applying the usual budget neutrality physician payment rules to primary care payment increases, Congress and the new Obama administration should consider a combination of funding options that would:

- provide substantial and sustained funding sufficient to make primary care competitive with other career choices,
- be based on the overwhelming evidence that primary care consistently is associated with better outcomes and lower costs of care, and
- generate the broadest possible support and least opposition from multiple stakeholders.

Stakeholders that have expressed support for the need to increase the numbers of primary care physicians, but who have also expressed concern about funding such increases in a budget neutral manner within Medicare physician payments, should be asked to specifically identify which options for funding primary care they support.

**Specifically, ACP recommends that Congress and the Obama administration consider the following options, in combination, to fund payment increases for primary care:**

1. **Take into account the impact of primary care in reducing total Medicare program costs, such as from preventable hospital admissions, and require that CMS estimate and apply a portion of such anticipated savings to prospectively fund higher pay for primary care.**
2. **Consider primary care to be an essential health care delivery and infrastructure investment that does not need to be paid for with direct dollar offsets based on the overwhelming evidence it will produce short and long-term gains in quality and efficiency of care. Start by including new funding in the economic stimulus package to provide a 10% Medicare payment bonus for services provided by primary care physicians.**
3. **Take into account how much higher health care and Medicare baseline costs will be if there are not enough primary care physicians and direct CMS to use a portion of the difference to prospectively increase payments to primary care physicians.**
4. **Combined with other funding to assure that the increases are sufficient to avert the primary care shortage, direct CMS to refrain from applying a “productivity adjustment” to primary care and use this money to help fund higher pay for services provided principally by primary care physicians.**
5. **Implement a “shared savings” model for primary care services in addition to the above financing options.**