Statement for the Record
from the Society of General Internal Medicine
on How Primary Care Improves Health Care Efficiency
March 6, 2024

The Society of General Internal Medicine (SGIM) applauds the Senate Committee on the Budget ("the Committee") for holding a hearing to consider how primary care improves health care.

SGIM is a member-based medical association of more than 3,300 of the world's leading academic general internists, who are dedicated to improving access to care for all populations, eliminating health care disparities, and enhancing medical education. Our members are committed to ensuring patients have equitable and affordable access to the highest quality of care possible.

Primary care is the foundation of a strong health care system. However, despite the robust evidence that primary care improves health outcomes and equity, incentives and infrastructure have not been in place to allow primary care to deliver on its promise. The shortages of general internal medicine and other primary care physicians are well documented, and the inadequate reimbursement for primary care has only perpetuated this shortage. Without meaningful change, more patients—regardless of where they live—will experience challenges accessing comprehensive primary care.

As such, our comments will emphasize the need to more accurately define and value evaluation and management (E/M) services, the office visits which general internal medicine physicians primarily bill.

The Centers for Medicare & Medicaid Services (CMS) has taken steps in recent years to support primary care by creating new services, like those for chronic care management and the add-on code G2211, and revising and revaluing E/M services. However, the significantly lower reimbursement for primary care services compared to those for procedures discourages medical students from choosing primary care specialties, as they are attracted to higher-paying specialties particularly considering their growing amounts of medical school debt. Many Americans do not have a primary care physician with whom they can

1500 King Street • Suite 303 • Alexandria • VA 22314
Tel: 202.887.5150 • 800.822.3060 • Fax: 202.887.5405
Web: http://www.sgim.org

schedule timely visits and receive longitudinal, comprehensive care; instead, they receive care from urgent care clinics and emergency rooms. Further, the persistent shortage of primary care physicians nationwide, particularly in rural communities, exacerbates existing disparities among vulnerable populations that are already facing significant challenges.

Congress and CMS must act now to stabilize and grow this country's primary care system. The Department of Health and Human Services (HHS) released an issue brief on primary care outlining the actions the administration has taken and plans to take in recognition of the role primary care plays in improving the health of all Americans. **SGIM believes that establishing a technical advisory committee (TAP) to define and value E/M and other non-procedural work is critical to appropriately reimbursing for primary care services and supporting the delivery of high-quality primary care; this has been a longstanding priority of the society. A TAP administered by CMS, as envisioned by this Committee, can assess the existing processes for service code development and valuation and propose solutions that are sustainable, and evidence based.**

While the National Academies of Sciences, Engineering and Medicine (NASEM) recommended transitioning to a hybrid and prospective payment system for primary care in its report titled *Implementing High Quality Primary Care: Rebuilding Foundation of Health Care*, SGIM strongly recommends that the Committee bifurcate the TAP and hybrid payment portions of the legislation and advance the TAP portion immediately. The TAP can begin making meaningful improvements to reimbursement for primary care now. More study is required to develop a hybrid payment system that will meet the Committee's, NASEM's, and SGIM's goals. Furthermore, accurate valuations for all services on the Medicare fee schedule is a necessary first step in developing innovative payment models, such as hybrid payments. The TAP within CMS will specifically ensure that the valuations of physician services provide reliable building blocks.
Specifically, the TAP can determine how to base payments on the relativity of work intensity by establishing a reliable process for defining services and assigning values as the existing mechanisms are not evidence based and have helped perpetuate a system that has not prioritized primary care. The longstanding misvaluation of E/M services within the Medicare Physician Fee Schedule (MPFS) has led to a skewed workforce and has impaired access to care for Medicare beneficiaries.

As the population ages, Medicare must lead the way in addressing longstanding disparities of access, and changes must be implemented. A TAP will be best equipped to ensure that these services are evaluated at more regular intervals, limiting the significant redistributive effects

associated with major valuation and policy changes as we saw when the outpatient E/M codes were recently revalued after almost 15 years. We believe that a regular, independent assessment of available data and the resulting data-driven policy recommendations will stabilize what has evolved to become an irregular process, one which has been a major contributor to the declining primary care workforce.

As envisioned by SGIM, a TAP would be charged with using an evidence-based approach to assess the current definitions, documentation expectations, and valuations of existing E/M services, and develop a set of recommended changes to address inadequacies of service code definitions and valuations. With expertise from a variety of stakeholders, the panel's responsibilities should include:

(1) evaluating and summarizing current data and research related to E/M services;
(2) reviewing current methodologies and procedures used to define and value services under the MPFS;
(3) identifying knowledge gaps;
(4) developing new valuation methods and guidelines, if warranted; and
(5) recommending changes to the current E/M code set and their valuations.

The panel should also collaborate with the Office of the National Coordinator for Health Information Technology to ensure that documentation requirements are easily integrated into the electronic health record.

Moreover, to ensure diverse perspectives are factored into the development and refinement of E/M services, SGIM believes panel membership should have a transparent process for managing conflicts of interest and include and systematically seek input from:

- clinicians, particularly general practice and specialty medicine physicians, and other qualified health professionals;
- Medicare beneficiaries;
- health economists and health services researchers;
- experts in medical coding and code valuation;
- experts in health informatics technology;
- experts in program integrity and compliance; and
- other stakeholders with expertise in Medicare payment policy.

The TAP's output should be publicly available.

As envisioned, this panel is meant to inform the work of CMS and not intended to eliminate or exclude existing processes, like the America Medical Association's Relative Value Scale Update

Committee, known as the RUC. The TAP may ascertain that the RUC is best equipped to value procedures.

Thank you again for the opportunity to submit this statement for the record. SGIM believes investing in primary care is a critical step towards improving the efficiency and effectiveness of our nation's healthcare system. By prioritizing primary care, we can achieve better health outcomes, lower costs, and a health care system that works for all Americans. We look forward to working with you to achieve these goals.