

May 20-21, 2015

Medicare Primary Care Incentive Program

Members of Congress should introduce and pass legislation to continue the current Medicare 10 percent Primary Care Incentive Program (PCIP) that is set to expire at the end of this year.

This program, which began in 2011, pays eligible internal medicine specialists, family physicians, and geriatricians a 10 percent bonus on designated office visits and other primary care services.

What's it all about?

Over the past decade, Republicans and Democrats, and independent policy experts, have agreed that the undervaluation of primary care services by Medicare and other payers has led to fewer medical students choosing primary care as their profession and, as a result, a growing shortage of primary care physicians. There also is evidence that Medicare enrollees are more likely to experience difficulties in getting appointments with primary care physicians than for other specialists. In 2010, Congress acted to address the undervaluation of primary care by enacting the Medicare Primary Care Incentive Program (PCIP). This program has provided a 10 percent bonus payment for designated primary care services for internists, family physicians, and geriatricians since it went into effect in 2011. In order to qualify for the bonus, at least 60 percent of Medicare-allowed charges of eligible physicians must be designated as primary care services, such as patient visits in an office, home, or nursing home.

- [Learn more](#) about Medicare's Primary Care Incentive Program.

What's the current status?

Congress authorized mandatory funding for the PCIP program from 2011 through 2015. Funding for this program is set to expire at the end of this year unless Congress authorizes additional funding to continue it after 2015.

Why should the 114th Congress address it?

If the PCIP program is not continued, internists, family physicians and geriatricians will experience a 10 percent cut in their Medicare payments for their office visits and other designated primary care services on January 1, 2016. Such a cut will represent a reversal of Congress' longstanding, *bipartisan* support for policies to ensure that patients enrolled in Medicare have access to a primary care physician, including improving Medicare payments for primary care. Expiration of the program would adversely affect established primary care physicians who are on the front lines of providing care to Medicare patients and act as a further disincentive for medical students to choose careers in primary care.

Hundreds of studies show that access to primary care is associated with better outcomes and lower costs of care. Furthermore, the recently-enacted Medicare Access and Chip Reauthorization Act (MACRA), H.R. 2, establishes a framework to transition the Medicare system towards alternative payment models (APMs) that have been found to promote the delivery of high value coordinated care --- these APMs include the [Patient Centered Medical Home \(PCMH\)](#) and [Accountable Care Organization \(ACO\) models](#). Primary care serves as the foundation for these approaches. A 10 percent reduction in Medicare payments to primary care physicians for their evaluation and management services would greatly reduce overall Medicare payments to ACOs and PCMHs, undermining their ability to invest in the practice investments, and especially in supporting the vital role of primary care physicians, needed to achieve cost-savings and better outcomes. It would threaten the economic viability of the very primary-care based APMs that the MACRA law envisions as being fundamental to a better Medicare program.

The Medicare Payment Advisory Commission (MedPAC), the expert committee that advises Congress on payment policies, has highlighted the importance of a robust primary care workforce to support effective and efficient care within the Medicare program and supports continuation of PCIP. It has recommended some modifications to it, including basing the payments on the number of Medicare beneficiaries seen by an eligible primary care physician.

What's ACP's view?

ACP believes that enactment of legislation to continue the PCIP program past its January 1, 2015 expiration date should be viewed as an essential component of the broader effort by Congress to reform Medicare physician payments towards value-based models that promote higher quality and more efficient care. This goal cannot be achieved without continuing to support primary care. While the College recognizes that a 10 percent incentive payment on some primary care services, while significant, is not by itself sufficient to ensure an adequate supply of general internists and other primary care physicians, *allowing it to expire would compound the shortage of primary care physicians, making it more difficult for established primary care physicians to continue to see Medicare patients or accept new ones and making it less likely that medical students will choose careers in primary care.* **We urge introduction, in both the House and Senate, of legislation to continue the Medicare Primary Care Incentive Program, followed by action in both chambers to pass it and enact it into law, before the program expires on December 31.** The College also believes that Congress should take other bipartisan steps to address the primary care shortage including prioritizing Graduate Medical Education funding, improving Medicaid payments for primary care, and providing sufficient discretionary funding for primary care workforce programs.

- [Learn more](#) about ACP's written testimony to Congress on reform of Medicare payments, including our views (pages 12-13 of the testimony) on the PCIP program and on [MedPAC's proposed](#) modifications to it.
- [Learn more](#) about the evidence on how primary care is associated with lower costs and better outcomes.

Who can I contact to learn more?

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