



**American Hospital
Association**

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Submitted Electronically

Marilyn Tavenner
Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Hubert H. Humphrey Building, Room 445-G
200 Independence Avenue, S.W.
Washington, D.C. 20201

RE: Medicaid Program; Payments for Services Furnished by Certain Primary Care Physicians and Charges for Vaccine Administration Under the Vaccines for Children Program (CMS-2370-P)

Dear: Ms. Tavenner:

On behalf of our more than 5,000 member hospitals, health systems and other health care organizations, and our 42,000 individual members, the American Hospital Association (AHA) appreciates the opportunity to comment on the Centers for Medicare & Medicaid Services (CMS) proposed rule implementing the *Patient Protection and Affordable Care Act (ACA)* provision to increase Medicaid payment for primary care services for certain physicians. The proposed rule also updates the payment rates for providers for the administration of pediatric vaccines through the federal Vaccines for Children Program.

State Medicaid programs have historically underfunded providers, especially providers of primary care. The ACA recognizes the importance of primary care services and sets a course to improve access by requiring Medicaid to reimburse primary care providers at parity with Medicare rates in 2013 and 2014 with full financing by the federal government. This ACA provision is an important acknowledgement that payment levels are linked to access for the Medicaid population and improving access to primary care is going to be critical as the Medicaid program is expanded in 2014. The following are specific comments related to the proposed rule.

The AHA supports CMS's proposal to expand the payment increase for primary care services to related subspecialists. The ACA specifies that the payment increase apply to certain primary care services furnished by a physician with a specialty designation of family



medicine, general internal medicine or pediatric medicine. By extending the specialty designations to the relevant subspecialists in accordance with the American Board of Medical Specialties, the payment increase will apply to such subspecialties as gastroenterology, critical care, pediatric cardiology and pediatric critical care. The AHA also supports CMS's proposal to allow non-physician providers, such as nurse practitioners and physician assistants, to qualify for the higher payment if they deliver primary care services under the personal supervision of an eligible physician and bill under the provider number of the physician. These proposals appropriately extend the payment increase to physicians and non-physician providers that deliver primary care services to Medicaid enrollees.

The AHA supports CMS's proposal to include non-Medicare covered primary care services in the definition of services eligible for the payment increase. The proposed rule includes certain primary care codes from the Healthcare Common Procedures Coding Systems (HCPCS) in the definition of eligible services, even though Medicare does not cover them. Examples of non-Medicare covered primary care services include many services provided to children – a patient population not typically served by the Medicare program. As the preamble notes, the inclusion of these non-Medicare covered primary care services will encourage primary care providers to treat the Medicaid population.

The AHA supports CMS's proposal to apply the primary care payment increase to physicians serving Medicaid managed care patients. States are increasingly turning to Medicaid managed care organizations (MCOs) to provide medical assistance. It is important that the state, the MCOs, and CMS develop a mechanism that recognizes all of the primary care services eligible to receive the increased payment.

The AHA supports the availability of full federal financing through the Federal Financial Participation (FFP) for the higher Medicaid payments for the Medicare cost sharing for individuals dually eligible for Medicare and Medicaid. As noted in the proposed rule preamble, state Medicaid programs have historically chosen to pay Medicare cost sharing only up to the amount Medicaid would have paid rather than the Medicare Physician Fee Schedule (Medicare PFS) for their share of the physician service provided to the dually eligible beneficiary. Under the proposed rule, physicians providing services to the dually eligible beneficiary would be eligible to receive payment up to the full Medicare rate with 100 percent FFP to finance the Medicaid portion.

The AHA urges CMS to include the Medicare primary care incentive payment rates authorized by the ACA in the overall calculation of the Medicare upper payment limit (UPL). The federal Medicaid statute limits overall payment for Medicaid services to what the Medicare program would otherwise pay for the comparable services. This is known as the Medicare UPL. State Medicaid programs are required to perform these UPL calculations to make certain their Medicaid payments do not exceed this limit. The ACA also provides new Medicare primary care incentive payments. These incentive payments provide a 10 percent bonus payment on top of the Medicare PFS payment for select primary care services furnished by primary care physicians in calendar years 2011-2015. In the proposed rule, CMS requires

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that states use the Medicare PFS to calculate the UPL without incorporating Medicare primary care incentive payment rates authorized by the ACA. CMS argues that because these incentive payments are not part of the Medicare PFS, states should not include them in the UPL calculation. However, these incentive payments are Medicare payments for primary care services; it is immaterial whether these Medicare incentive payments are incorporated into the Medicare PFS. The ACA Medicaid primary care payment increases are predicated on bringing Medicaid payment in parity with Medicare, and the statute does not preclude the inclusion of the new incentive payments. The AHA, therefore, believes the incentive payments for Medicare primary care services should apply when state Medicaid programs calculate the Medicare UPL for purposes of determining Medicaid payment. In passing the ACA, Congress recognized that supporting access to primary care services for both Medicare and Medicaid beneficiaries meant improving primary care service payments.

Finally, the AHA supports updates to the payment rates for providers for the administration of pediatric vaccines through the federal Vaccines for Children Program.

The AHA appreciates CMS's implementation of these important payment improvements for primary care physician services. If you have any questions about our comments, please contact Molly Collins Offner, policy director, at mcollins@aha.org or (202) 626-2326.

Sincerely,

/s/

Rick Pollack

Executive Vice President