

New Report Highlights Need for Reforms to Primary Care Payments

New report urges CMS reforms and legislative efforts to encourage greater recognition of how primary care is valued.

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EINPresswire.com/ -- [A new report](#) from the Commonwealth Foundation, authored by health policy experts David Muhlestein, Yuvraj Pathak, and Samia Imtiaz, calls for reform to how primary care is valued and paid for in the U.S. The report discusses how physician payments are set in Medicare under the Resource-Based Relative Value System (RBRVS), and how this process has historically led to primary care being undervalued.



The authors present key recommendations for the Centers for Medicare and Medicaid (CMS) to take under current law, proposes opportunities for CMS to work with the Relative Value Scale Uptake Committee (RUC) – which has a large voice in shaping Medicare payment rates – and presents ideas for new legislation that can improve primary care payments.

Primary care is associated with improved health outcomes, but there is an increasing shortage of primary care providers in the country. Primary care physicians are compensated lower on average compared to other specialties, and this has disincentivized new physicians from entering primary care. “The result is an ongoing decline in the number of primary care physicians and an increase in wait times for patients”, the authors write.

Currently, physician payments in Medicare are based on the Relative Value Unit (RVU), which accounts for physicians’ work, practice expenses, and malpractice liability costs. CMS relies on recommendations from the RUC to set these – a volunteer organization made up of 32 physicians that has historically biased specialties, with only 19 percent of seats held by PCPs.

Bias and lack of transparency in the RUC, and “the relative overvaluation of procedural services and the undervaluation of nonprocedural services, as well as the cognitive work involved in creating treatment plans and in diagnosis, coordination, and long-term patient care, has led to the significant payment gap between primary care and specialists”, the authors write.

To address this, the report proposes the following recommendations to improve how primary care providers are paid under Medicare:

- Reevaluate the RVU component to better recognize longitudinal care
- Create an alternative committee to evaluate payments
- Pilot a global primary care payment model
- Increase Medicare’s spending target for primary care
- Put the current RUC methodology through peer review
- For procedures with variable timeframes, CMS could pay based on efficiency
- Establish an alternative valuation framework for primary care within the existing RUC structure
- Create a statutory “cognitive services modifier”
- Create an alternative payment model for PCPs
- Include an expected benefit component to the RVU calculation

Why This Matters

Primary care is a critical part of the U.S. healthcare system that is associated with better outcomes and the opportunity to reduce total healthcare spending. Ensuring payments reflect the true value is important for improving primary care.

A Call to Action

CMS and legislators should act to reform how primary care is valued and paid for, to ensure that patients continue to have access to this critical part of the healthcare system.

About the Author

David Muhlestein, Ph.D., J.D., is a leading expert in healthcare policy and data analysis and the founder of Simple Healthcare, a firm dedicated to leveraging data-driven solutions to enhance transparency, efficiency, and affordability in the healthcare system. His work focuses on improving healthcare transparency, cost efficiency, and market dynamics. This research was supported by the Commonwealth Foundation.

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