June 10, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader McConnell, Minority Leader Schumer:

We are writing as former leaders of the Centers for Medicare and Medicaid Services (CMS) with regard to the role of payment and regulatory flexibility in responding to the COVID-19 pandemic, and in addressing serious challenges in access to care and disparities in health outcomes in the pandemic and beyond. CMS payment and regulatory flexibilities, along with Congressional emergency assistance to providers, play a critical role in public health emergencies. This is a national emergency unlike anything we had to address during our times at CMS, and we support the payment steps taken so far by the agency and Congress to assist clinicians, hospitals, and other health care providers. Health care providers have been critical for addressing surges in cases and outbreaks.

To avoid future situations where providers must deliver care under crisis conditions, and to help patients get the care they need while avoiding COVID-19 risks, providers need support for redesigning how they deliver care in the pandemic. We encourage Congress, CMS, and HHS to take steps in any further payment assistance that enhance the ability of health care providers to contain COVID-19 and create a more resilient American health system.

We propose three steps to support clinicians and other health care providers in the COVID-19 response and in building on these reforms for the future:

- Additional COVID-19 provider relief payments or loan forgiveness should include steps that are critical for pandemic containment. These might include such steps as participating in regional COVID-19 testing and tracing activities, implementing care models that treat more patients at home, and implementing other steps to redesign care to address gaps in access caused by the pandemic. We estimate the cost of initial investments in these activities in the $30 to $50 billion range. Effective COVID-19 response is a theme in previous relief payments, so that existing CARES Act funds can also help support these goals.
- Providers who receive additional support or loan forgiveness should take further steps to move from fee-for-service into alternative payment models in 2021-22 that enable continuation of broader telehealth, flexible site of service, and other reforms that should last beyond the pandemic. Along with the short-term assistance, this linkage will give health care providers needed clarity about a path forward, enabling them to take the steps needed to build on their initial reforms during the emergency.
- These actions should be designed in a way to encourage states and commercial plans to participate along with CMS, building on activities they are implementing already.

Together, these steps provide a path for providers out of the pandemic, toward a health care system that will prevent further outbreaks and deliver more convenient, accessible, and technology-enabled care.

During the pandemic, health care organizations have not only had to deal with a surge in cases but have had to reform care. Reforms include assisting in COVID-19 testing and contact tracing, shifting care to telemedicine, and modifying care facilities and care pathways to treat COVID-19 patients at home or in other settings that reduce the risk of infection. Flexible CMS payments and Congressional relief funding are helping to address these needs. But is also clear that fee-for-service (FFS) payments have not worked well to support resilience. Indeed, just when they are most needed, physician practices, hospitals, and other health care organizations that depend on FFS payments are facing huge financial losses, layoffs and closures. Some of these unmet needs are particularly urgent in COVID-19 containment, primary care, mental health, and rural health.

Previous CARES Act funding has been allocated to hospitals based on their prior inpatient Medicare payments. Primary care and other critical health care providers should also receive financial assistance to address critical COVID-19 patient care needs that are very challenging to manage in their current financial state. This initial assistance could be based on their prior payments from public programs.

There is some evidence that such payments can help. Physician practices and other health care organizations that have moved substantially into alternatives to FFS payments have remained relatively financially secure, and are taking advanced steps to address the COVID-19 challenges. They have developed help lines, apps, and outreach to their high-risk patients to help avoid COVID-19 and get timely testing and follow-up when needed; they have built care models for chronic conditions using care navigators and care teams around telehealth services and remote monitoring that enable many more people to stay home while managing their conditions; and they are addressing the problems of distancing and isolation especially for those with limited means by providing transportation, food, and additional mental health and social services. In many cases, they are collaborating with private health plans and partner organizations to implement the new approaches. Private plans should participate in expanding these efforts through similar resilience payments.

Even while the nation seeks ways to extend secure and comprehensive health insurance coverage to more Americans, expanded payments for health care resilience will help contain the pandemic during reopening, sustain care that is more convenient and community-based after the pandemic, and help make health insurance coverage more affordable.

This program would have some up-front costs. But this approach would help providers move toward new models of care and achieve savings through fewer COVID-19 complications and hospitalizations, and more efficient pandemic care delivery. In contrast to simply providing more relief payments, we also expect longer-term savings and better outcomes from greater participation in payment approaches that are better alternatives to FFS.

Congress, CMS, and HHS have taken many critical steps to help health care organizations that are essential to pandemic response but that are severely distressed under traditional fee-for-service reimbursement. As we look ahead, we should aim not just to rebuild our old health care system, but to support health care providers in building a more resilient one that is better able to protect people against health risks, and deliver more convenient and accessible care in all communities.

We appreciate your bipartisan attention to COVID-19 recovery and resilience in these difficult times. We are ready to provide assistance and to bring additional expertise and clinical experience to bear in refining and implementing these proposed timely reforms.

Sincerely,

Mark McClellan, MD PhD – *Former CMS Administrator and FDA Commissioner; Director, Duke-Margolis Center for Health Policy*

Andy Slavitt – *Former Acting CMS Administrator; Founder/ Board Chair United States of Care*

Don Berwick, MD – *Former CMS Administrator*; *President Emeritus and Senior Fellow, Institute for Healthcare Improvement*

Tom Scully – *Former CMS Administrator; General Partner, Welsh, Carson, Anderson & Stowe*

Bruce Vladeck – *Former HCFA Administrator, Senior Advisor, Nexera*

Gail Wilensky, PhD – Former HCFA *Administrator; Senior Fellow, Project HOPE*

Cc: Honorable Members of the United States House of Representatives
Honorable Members of the United States Senate