

National Coalition on Health Care Policy Priorities: COVID-19's Impact on Primary Care



Primary care physicians (PCPs) are a critical component of an affordable and accessible health care system

But because COVID-19 has limited outpatient visits and utilization rates, the pandemic is an [existential threat](#) to independent practices. Without additional state and federal assistance, primary care practices will suffer short-term and long-term consequences.

Problem: the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) provided financial relief to hospitals, but assistance is not reaching independent PCPs. In the short-term, the closing of primary care practices will disrupt public health efforts to test, treat, and vaccinate for COVID-19. Ensuring the financial stability of primary care practices is paramount to reopening the country. Long-term, **closing primary care practices could exacerbate high health care prices.** NCHC advocates for reasonable policy solutions that support PCPs and promote a more sustainable, prepared, and affordable health care system in the future.

Policy Recommendations:

1. **Congress should direct the Secretary of Health and Human services to explicitly allocate funds from the CARES Act Provider Relief Fund (PRF) to independent primary care physicians.**
2. **Expand alternative payment models, such as the Primary Care First or the Direct Contracting models**
3. **Establish Medicaid to Medicare payment parity for primary care**

HHS Should Allocate Financial Assistance for Non-Hospital Based, Primary Care Providers via CARES Act

Most independent physicians and primary care providers did not receive financial assistance from HHS via the CARES Act. In a [recent survey](#) of practices, respondents demonstrated significant financial strain in response to the decline of outpatient visits:

- **Only 38%** of respondents reported that they **received assistance** from the Paycheck Protection Program
- **More than 75%** of respondents reported **losses** during April 2020
- **And 40% of practices** were uncertain if they will be open in 4 weeks.

NCHC has [urged Congress](#) to direct the Secretary of Health and Human services to explicitly allocate funds from Provider Relief Fund (PRF) to independent primary care physicians. Although the administration already has the authority to do so, it has been slow to make necessary allocations. Simple, direct payments to primary care providers will allow practices to serve patients, purchase personal protective equipment (PPE), and expand testing capabilities.

HHS Should Expand Alternative Payment Models

Fee-for-service (FFS) reimbursement is not a reliable payment model during public health emergencies [when outpatient visits drop](#). Increased telehealth reimbursement via Medicare has not made practices whole, especially because private insurance and Medicaid may not have implemented [payment parity](#). Independent physicians and groups in alternative payment models (e.g., capitated payment arrangements) have more successfully weathered the pandemic.

The two following payment models, which prioritize quality over quantity, should be expanded:

- The [Primary Care First model](#) prioritizes the doctor-patient relationship while also improving integrated treatment for patients with chronic conditions. CMMI awards PCPs with additional revenue if key quality and value-based metrics are met.
- The [Direct Contracting model](#) revolutionizes Medicare FFS payments. The Direct Contracting model prioritizes quality of care while also improving provider choice and access.

Congress Should Establish Medicaid to Medicare Payment Parity for Primary Care

NCHC [has recommended](#) that Congress also create Medicaid to Medicare payment parity. PCPs that provide services to Medicaid patients are significantly [under-reimbursed](#) as compared to services provided to patients with Medicare and private insurance.