

November 24, 2020

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representative  
U.S. Capitol Building H-222  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
U.S. Capitol Building S-230  
Washington, DC 20510

The Honorable Charles E. Schumer  
Democratic Leader  
U.S. Senate  
U.S. Capitol Building S-221  
Washington, DC 20510

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives  
U.S. Capitol Building H-204  
Washington, DC 20515

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

On behalf of the Premier healthcare alliance uniting more than 4,100 U.S. hospitals and health systems and approximately 200,000 other providers, we applaud your leadership in enacting the Coronavirus Preparedness and Response Supplemental Appropriations Act, the Families First Coronavirus Response Act, and the Coronavirus Aid, Relief, and Economic Security (CARES) Act. That legislation has provided a critical bridge for healthcare providers and other parts of our economy over the pandemic.

The nation is depending on hospitals, health systems and non-acute providers to get us through the COVID-19 public health emergency. Widespread surges across the country are resulting in alarming peaks in new cases and related hospitalizations, placing unparalleled strain on acute care capacity, the supply chain and healthcare workers in communities across the country. The ability of health systems and other providers to continue to care for those infected, protect against the spread of the virus and safely manage care for non-COVID-19 cases hinges on continued federal action, now more than ever.

Premier calls on Congress to provide additional federal support and enact policies during the “lame duck” session of Congress that will advance hospitals’ and other providers’ critical work to protect the public’s health.

**Ensure the financial viability of front-line healthcare providers.** Premier greatly appreciates Congress allocating \$175 billion in Provider Relief Funds to alleviate some of the financial stress that providers are under as they face the increased costs of responding to the public health crisis. We strongly urge Congress to provide additional emergency funding through this program. We also urge Congress to:

- Extend until the end of the COVID-19 public health emergency the current moratorium on the **Medicare sequestration cuts**, which is scheduled to expire on January 1, 2021.
- Eliminate the \$4 billion **cut to Medicaid disproportionate share hospital (DSH) payments**, which would impede safety net providers’ ability to provide broad services for all patients.
- Extend expiring **Medicare and Medicaid provisions**, such as Teaching Health Centers Graduate Medical Education, which are near expiration and vital for Americans and communities that rely on these programs.
- Pass legislation that would revert to the initial HHS **Provider Relief Fund reporting requirements** that allow providers to calculate losses through any reasonable method and to compare losses on a monthly, quarterly or annual basis.

- Designate funds to reduce or eliminate repayment of **Accelerated and Advance Payment program** loans.
- Provide healthcare professionals and facilities **civil liability immunity** for their good faith efforts to treat patients during the COVID-19 response.
- Prohibit the finalization of the Medicaid Fiscal Accountability Regulation (MFAR).
- Provide an additional increase in **Federal Medical Assistance Percentages (FMAP)** for state Medicaid programs.

**Modernizing our public health data infrastructure.** One glaring revelation from the COVID-19 public health emergency is our antiquated and ineffectual public health information systems. As a result, healthcare providers end up reacting to patients showing up in distress and without predictive intelligence of the magnitude of the impending patient demand. America needs an automated, near real-time means to collect symptoms and confirmed case information consistently and comprehensively. The Premier healthcare alliance strongly supports the bipartisan, bicameral provisions in the revised HEROES Act and HEALS Act to modernize healthcare data collection to effectively combat the current coronavirus pandemic as well as future public health threats. Enacting these provisions this year would help ensure an integrated and consistent approach for public health data collection, reporting and sharing across federal, state, local, Tribal and territorial public health authorities and stakeholders, including labs, clinicians and hospitals.

**Ensuring continued movement to value-based care.** The pandemic has required greater care coordination across the traditional healthcare silos as providers work to manage infected patients in the most effective settings. Leading health systems and providers operating in value models were able to rapidly implement strategies to respond to COVID-19 to deliver better patient outcomes. According to a Premier survey, 82 percent of alternative payment model (APM) participants leverage care management support to manage COVID-19 and other patients, 55 percent use triage call centers, 49 percent use remote monitoring, 43 percent use population health data to manage and predict cases, and 29 percent use claims data to understand care delivered outside the acute setting.<sup>i</sup> Moreover, if we had made more progress in value-based care prior to COVID-19, with more entities in global budgets or capitation, we could have avoided the financial challenges many providers faced as providers had to suspend elective procedures while at the same their clinical care was more needed than ever. We urge Congress to support a continued emphasis on movement to value by:

- Freezing at current, lower levels the MACRA thresholds of payments or patients through Advanced APMs that clinicians must achieve to be eligible for a 5 percent Medicare bonus payment for the 2021 and 2022 performance years.
- Passing the *Rural ACO Improvement Act (S. 2648)* and *Accountable Care in Rural America Act (H.R. 5212)*. With the clear benefits of incenting providers to move to APMs, this bill fixes a perverse flaw in the Medicare Shared Savings Program that penalizes organizations in certain communities that are achieving savings for the Medicare program by including their ACO population in their spending benchmark calculation.

**Ensuring timely access to care for Medicare Advantage beneficiaries.** While prior authorization can be a tool to help ensure evidenced-based care, it can also limit timely patient access to medically necessary services. It is also often costly, time-consuming and burdensome for healthcare providers. Because of the time lag in waiting for a prior authorization decision from a health plan, 91 percent of providers reported treatment delays and 28 percent say these delays resulted in a serious adverse event such as a death, hospitalization, disability, or permanent bodily damage for a patient in their care.<sup>ii</sup>

A main culprit is a lack of standardization, transparency and automation of the prior authorization process. *The Improving Seniors' Timely Access to Care Act of 2019 (H.R. 3107)*, which has 266 co-sponsors in the House, would streamline, standardize and implement automation of the prior authorization process for certain Medicare Advantage services and procedures. Transitioning to fully electronic prior authorization transactions could save the health system \$454 million annually<sup>iii</sup>, including \$355 million in savings for providers and \$99 million for health plans.

**Building a more transparent and resilient supply chain for medical products and PPE to reduce overseas reliance on critical goods.** [Action by Congress and the administration](#) is imperative to prevent gaps in vital medical supplies that have plagued our nation's response to COVID-19. To address supply chain vulnerabilities, Congress should work with the administration to:

- Develop a cohesive and holistic national strategy for addressing global pandemics and stabilizing the US supply chain to respond to surge demand for critical medical supplies and drugs;
- Create upstream visibility into the supply chain to understand sources of raw materials and manufacturing facilities;
- Incentivize domestic manufacturing of critical medical supplies such as through 0% interest loans and other tax incentives for manufacturers of critical supplies;
- Design stockpiles to create coordination rather than competition between state, local and national stockpiles; and
- Develop an automated national system that can be turned on in short notice to collect supply chain inventory data so that the government can understand what specific supplies are available from manufacturer to distributor to hospital inventories. This will assure better demand planning and allocation during an emergency.

**Addressing surprise medical billing.** We caution against a solution to surprise medical billing that mandates use of a calculated percentage of an in-network, fee-for-service rate. To do so would be a major setback to the movement to value-based care and be particularly devastating to hospitals during the pandemic. Premier and our members have been at the forefront of implementing and advocating for moving to value-based payment models. These models depend on providers and payers working collaboratively to drive higher quality, more cost-effective healthcare. When this happens, it naturally results in strong incentives and efforts to prevent patients from being charged higher rates for out-of-network or emergency department care. In this way, risk-based arrangements reduce the opportunity for surprise bills as providers are moving toward per capita payments across a patient population, rather than fee-for service. Premier supports a solution that protects patients from surprise medical bills while maintaining the payer-provider negotiating balance. This will safeguard current incentives for insurers to enhance relationships with providers and engage with them in value-based care arrangements in their communities.

**Expand access to home infusion services.** For decades, home infusion has been recognized as a safe and effective method of delivering critical drugs to some of the country's most vulnerable patients, many who suffer from advanced chronic diseases, such as congestive heart failure, cancer, and primary immune deficiency. Especially given the COVID-19 pandemic, the need to minimize exposure for beneficiaries receiving infusion drugs is more urgent than ever. Unfortunately, CMS adopted a narrow and inappropriate definition of "infusion drug administration calendar day" prior to the COVID-19 pandemic that provides payment to providers only when a skilled professional is present in the patient's home and does not adequately reimburse for all the important pharmacy services that are needed to treat a beneficiary. The decision runs counter to Congressional intent and overlooks those pharmacy services that are critical each day a patient receives medication therapy. We urge Congress to pass the *Preserving Patient Access to Home Infusion Act (S.3457/H.R.6218)* to address implementation issues that are impeding access to Medicare Part B durable medical equipment (DME) infused drugs right now.

We remain committed to working with Congress to address the COVID-19 pandemic. Contact Duanne Pearson (VP, Advocacy) at [duanne\\_pearson@Premierinc.com](mailto:duanne_pearson@Premierinc.com) or 202.879.8008 with questions or for more information.

Sincerely,



Blair Childs  
Senior Vice President, Public Affairs  
Premier healthcare alliance

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<sup>i</sup> Premier Inc. Survey: Clinically Integrated Networks in Alternative Payment Models Expanded Value-Based Care Capabilities to Manage COVID-19 Surge. May 13, 2020. <https://www.premierinc.com/newsroom/press-releases/premier-inc-survey-clinically-integrated-networks-in-alternative-payment-models-expanded-value-based-care-capabilities-to-manage-covid-19-surge>

<sup>ii</sup> 2019 American Medical Association prior authorization (PA) physician survey. <https://www.ama-assn.org/system/files/2020-06/prior-authorization-survey-2019.pdf>

<sup>iii</sup> 2019 CAQH Index – Conducting Electronic Business Transactions: Why Greater Harmonization Across the Industry is Needed. <https://www.caqh.org/sites/default/files/explorations/index/report/2019-caqh-index.pdf?token=SP6YxT4u>