

February 6, 2025

The Honorable Mike Johnson
Speaker of the House
H-232, The Capitol
Washington, DC 20515

The Honorable John Thune
Majority Leader
511 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Hakeem Jeffries
Minority Leader
H-204, The Capitol
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
322 Hart Senate Office Building
Washington, DC 20510

Dear Speaker Johnson, Leader Jeffries, Leader Thune, and Leader Schumer:

The Post-Acute and Long-Term Care Medical Association (PALTmed) congratulates you on the start of the 119th Congress. PALTmed is the only medical association representing the community of medical directors, physicians, nurse practitioners, physician assistants, and other practitioners working in the various post-acute and long-term care (PALTC) settings. PALTmed's members work in skilled nursing facilities, long-term care and assisted living communities, CCRCs, home care, hospice, PACE programs, and other settings. In serving this population, these clinicians care for the most high-risk and costly group of beneficiaries covered by Medicare and Medicaid programs.

As the new Congress begins, we would like to bring to your attention several critical issues affecting clinicians in the post-acute and long-term care (PALTC) setting, particularly with respect to Medicare payment reform, telehealth, nursing home survey reform, workforce challenges, and alternative payment models. These issues are vital to improving the quality of care for some of our most vulnerable populations, and we urge you to consider them as part of your policy priorities.

Medicare Payment Reform and the Physician Update:

Medicare reimbursement rates for services provided in the PALTC setting continue to be a significant concern. Many clinicians are struggling with reimbursement rates that fail to keep pace with the rising costs of providing care. We urge Congress to implement a

permanent, annual inflation-based update to Medicare payments tied to the Medicare Economic Index (MEI).

According to both the Medicare Trustees and the Medicare Payment Advisory Commission (MedPAC), failure to adjust physician payments will create significant access issues to Medicare-participating physicians in the future. In their 2024 [report](#), the Medicare Trustees reiterated concerns that, without Congressional action to reform the delivery system or increase payment updates, “access to Medicare participating physicians is expected to become a significant issue long-term.” The June 2024 [Report to Congress](#) from MedPAC highlights the growing gap between the costs of providing care and Medicare’s reimbursement, warning that this discrepancy may lead clinicians to either limit the number of Medicare beneficiaries they treat or stop participating in Medicare altogether. MedPAC also pointed to the lack of an inflation-based payment update as a contributing factor to the site-of-service differential, which disrupts competition and could encourage further vertical consolidation, raising costs for Medicare, patients, and taxpayers alike.

At a minimum, we urge you to reverse the 2.83% Medicare fee schedule cut, which went into effect on January 1. In particular, we encourage Congress to address the physician cut through a retrospective solution as the first step in Medicare payment reform.

PALTmed encourages Congress to seek legislative relief under the reconciliation process, which would help CMS prioritize high-quality care for Medicare beneficiaries while mitigating the risks of market consolidation and inadequate access to care. These concerns arise from the ongoing disparity between Medicare’s physician payment rates and the true costs of delivering high-quality care.

Telehealth Expansion:

The COVID-19 pandemic demonstrated the potential of telehealth to improve access to care for patients in remote or underserved areas. However, telehealth policies must be expanded and permanently integrated into the healthcare system, particularly for those in post-acute and long-term care. Ensuring that Medicare provides reimbursement for telehealth services, particularly for those in skilled nursing facilities settings, will help bridge the gap in care access and alleviate some of the burden on our healthcare infrastructure. We urge you to support legislation that removes barriers to telehealth access and reimbursement for PALTC clinical providers and to continue the existing telehealth authorities for PALTC clinicians through the reconciliation process.

Nursing Home Survey Reform:

Nursing home quality and safety have long been top priorities for both policymakers and providers. However, the nursing home survey process has been criticized for being overly punitive and focused primarily on deficiencies rather than supporting quality improvement. Reforming the nursing home survey process to emphasize collaboration and constructive feedback would lead to better outcomes for patients and allow providers to focus more on improving care rather than navigating a complicated regulatory environment. We recommend that Congress work toward improving the survey process to better align it with patient-centered care goals and ensure that nursing homes are equipped with the resources and guidance they need to thrive.

Workforce Challenges:

The workforce crisis in post-acute and long-term care is perhaps the most pressing issue facing the sector. With a shortage of trained and qualified physicians, advanced practice providers (APPs), nurses, aides, and other essential clinicians, our healthcare system is at risk of being unable to meet the growing demand for services. Many clinicians are ill-prepared to care for people in PALTC when they enter the setting due to lack of training in geriatrics and the frailest elders. Neither medical school nor nursing schools typically provide in-depth training and rotations in this field and in many cases the first time a clinician cares for a patient in a nursing facility is the first time they have ever entered one. We must ensure that programs like the Geriatric Workforce Enhancement Program (GWEP) continue to be funded at higher levels and take steps to address the challenges of ensuring young clinicians enter the field. That means pay equity and opportunities for advancement in the field.

Addressing the direct-care workforce remains a challenge that requires both short-term solutions, such as increasing pay and benefits, and long-term strategies to improve recruitment, retention, and training in the PALTC field. Additionally, investing in education and training programs for the next generation of healthcare professionals, as well as offering support to current workers, is essential for building a sustainable workforce. We ask that Congress take decisive action to support PALTC workforce development, including enhancing funding for workforce programs and creating incentives for workers to enter this essential field.

Alternative Payment Models:

Alternative payment models (APMs) offer a promising opportunity to improve the efficiency and quality of care provided in post-acute and long-term care settings. However, these

models must be designed in a way that considers the unique needs of this patient population and ensures that providers have the necessary resources to succeed. Policymakers should work to expand and refine APMs that encourage value-based care, including bundled payments and shared savings arrangements, while also considering the financial challenges facing providers. Flexibility within these models is crucial to ensuring that clinicians can deliver high-quality, patient-centered care while remaining financially viable. Clinical practices focused on this population must be able to meaningfully gain-share in these value-based arrangements and not be an afterthought of a system that rewards them little for doing the most to save Medicare dollars. Due to their clinical and functional complexity, the PALTC population is the costliest to the Medicare system but with the right incentives and approaches, there are avenues to improve care while saving the system money.

Health Information Technology

Clinicians who practice in PALTC settings often visit multiple sites and according to many PALTmed surveys, nearly 47 percent maintain private practice outside of their PALTC responsibilities. Given that PALTC facilities were originally left out of the Meaningful Use incentive program under the Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009, the adoption of certified electronic health records varies greatly. Many clinicians work with multiple health IT systems and must maintain their own record for quality reporting, billing and patient tracking purposes. Unlike the hospital setting where there are two major vendors, the PALTC setting has many more. These physicians continue to be unable to meet the majority of the meaningful use requirements for their PALTC patients. Despite those factors, current regulations dictate that PALTC physicians who practice in these settings are subject to the penalty structure.

Furthermore, we risk significant patient harm when settings of care, physician practices, and pharmacies are unable to communicate with one another. Despite years of ongoing work, true interoperability remains out of site. It is well beyond time for a Health IT “moonshot” whereby all systems are connected so that patients traveling through the healthcare continuum have one comprehensive record accessible by their providers and authorized caregivers. It is imperative that such a system is accessible to all PALTC facilities, providers and health systems to ensure adequate data transfer specifically during transfers between settings. Medication errors, incomplete discharge summaries or discharge summaries that don’t provide a distinction between latest data and historical data must be a thing of the past. Congress must provide the funding and the infrastructure to ensure that true interoperability – that includes all healthcare and not just acute care - exists in the near future.

Conclusion

In closing, the issues we have outlined are of great importance to clinicians working in the PALTC settings and to the patients they serve. We respectfully request that Congress prioritize these issues and take meaningful steps to address them during this legislative session. Your leadership is critical in helping to ensure that post-acute and long-term care settings remain viable and able to provide high-quality care to all patients.

Thank you for your attention to these important matters. PALTmed looks forward to working with you to improve care for our nation's most frail population. Please feel free to reach out to us if you have any questions or would like further information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rajeev Kumar', with a stylized, cursive script.

Rajeev Kumar, MD, CMD, FACP

President

Post-Acute and Long-Term Care Medical Association