August 21, 2026

The Honorable John Joyce, M.D. and The Honorable Greg Murphy, M.D.
Co-Chairs of the GOP Doctors Caucus
United States House of Representatives
Washington, DC 20515

The Honorable Kim Schrier, M.D.
Chair of the Democratic Doctors Caucus
United States House of Representatives
Washington, DC 20515

Dear Representative Joyce, Murphy, and Schrier,

On behalf of Advocates for Community Health (ACH), a nonpartisan membership organization comprised of 55 community health center members in 22 states that serve over 4 million patients, thank you for the opportunity to provide feedback on the *Patients First Act* and for your efforts to strengthen the Medicare physician payment system.

ACH appreciates your leadership in advancing long-term reforms to strengthen the Medicare physician payment system and your commitment to engaging stakeholders as these policies are developed. We share your commitment to strengthening primary care and ensuring Medicare beneficiaries, particularly those living in rural and underserved communities, continue to have access to affordable, high-quality care. We hope these recommendations are helpful as you continue refining the *Patients First Act*, and we look forward to serving as a resource throughout the process.

Background

Community health centers serve about 32.7 million patients nationwide, providing comprehensive, high-quality primary care regardless of a patient's insurance status or ability to pay. Health centers play an important role in improving access to preventive and primary care for Medicare beneficiaries, particularly in rural communities where physician shortages often result in significant care delays and barriers. Health centers provide comprehensive, physician-led primary care that extends far beyond office visits, including chronic disease management, behavioral health integration, medication management, preventive services, and enabling services such as case management, health education, transportation assistance, and insurance enrollment support. CHCs also provide services

that can help prevent avoidable emergency department visits and hospitalizations, improve management of chronic conditions, and reduce unnecessary health care utilization.

Federally qualified health centers (FQHCs) are reimbursed under the Medicare Prospective Payment System (PPS), which provides a single, bundled payment for qualifying primary care visits rather than paying separately for each individual service under the Medicare Physician Fee Schedule (PFS). While distinct from the PFS, broader Medicare physician payment policies influence the primary care workforce and the resources available for health centers to invest in quality improvement, care delivery innovation, and the infrastructure needed to participate successfully in value-based care arrangements.

While FQHCs are reimbursed through a distinct Medicare payment system, health centers face many of the same workforce, technology, administrative, and financial pressures that the *Patients First Act* seeks to address. Like independent physician practices, most health centers do not have a hospital or parent health system to absorb rising operating costs. Health centers must sustain investments in workforce and technology while continuing to serve patients regardless of ability to pay and have limited ability to offset rising costs through higher commercial rates or changes in payer mix.

Additionally, the *Patients First Act* appropriately recognizes the importance of care efficiency, including reducing avoidable hospitalizations, complications from chronic disease, and use of unnecessarily costly settings. Health centers are well positioned to advance these goals because they already manage complex populations through coordinated primary care, chronic disease management, behavioral health integration, and services that address barriers to care.

Finally, health centers also represent a distinct model of independent, community-based primary care. FQHCs are governed by community-based boards, a majority of whose members are health center patients, creating direct accountability to the communities they serve. As Congress works to strengthen independent primary care, ACH encourages policymakers to recognize the unique role of community-governed health centers and complement the bill's physician payment reforms with targeted improvements to Medicare payment for FQHCs.

We offer the following recommendations to complement the legislation's physician payment reforms and advance its broader goal of sustaining independent, community-based primary care, including health centers and the clinicians serving Medicare beneficiaries in underserved communities.

Modernize Medicare Payment to Reward Innovation, Reduce Administrative Burden, and Support Lower-Cost Care

Health centers are increasingly investing in and leveraging digital health tools such as artificial intelligence, ambient documentation technologies, data analytics, and population health technologies to improve care coordination, identify patients at greatest risk, reduce clinician documentation burden, and succeed in value-based care arrangements. These investments improve quality and efficiency but require significant upfront resources that are not reflected in current payment policy. Many health centers are eager to participate in value-based care arrangements but lack the technology, data infrastructure, and workflow capabilities needed to build a strong foundation for success.

As Congress considers reforms that increasingly rely on data, technology, quality measurement, and value-based care, it is important that health centers have the underlying infrastructure necessary to participate successfully. Investments in this infrastructure should not be viewed solely as support for health center operations; they can also enable health centers to better manage populations, improve outcomes, prevent avoidable utilization, and contribute to lower total costs for the Medicare program. Therefore, ACH encourages policymakers to:

- Support targeted investments to help health centers build the foundational infrastructure needed to modernize care delivery by recognizing the significant upfront investments required to implement health information technology, artificial intelligence/ambient documentation technologies, data analytics, and other clinical support systems. **Congress should consider a temporary Medicare FQHC PPS add-on payment or other dedicated funding mechanisms to help health centers adopt these technologies**, which can improve clinical decision-making, enable proactive management of chronic conditions, and reduce administrative burden. For example, a 10 percent, 12-month add-on payment to the PPS would allow health centers to offset critical investments, support payment policies that help providers adopt technologies that reduce administrative burden, streamline

clinical documentation, automate routine administrative tasks, and return more time to direct patient care.

- **Provide clear guidance and appropriate regulatory flexibility for the adoption of emerging technologies**, including artificial intelligence, so health centers can responsibly implement innovative tools while maintaining patient trust and protecting privacy.
- **Ensure that future Medicare value-based payment models appropriately recognize the role health centers play in managing and coordinating care for complex populations** and create meaningful opportunities for health centers to share in savings generated through improved outcomes and reductions in avoidable utilization.

ACH appreciates your leadership in advancing thoughtful, long-term reforms to strengthen Medicare physician payment and improve access to high-quality primary care. As you continue refining the *Patients First Act*, ACH and our members welcome the opportunity to serve as a resource on how Medicare payment reforms can support community-based primary care and the clinicians who choose to serve in health centers. We look forward to continuing to work collaboratively with you and other stakeholders to advance policies that strengthen the primary care system for Medicare beneficiaries.

Thank you for your consideration of our comments. For additional information or to discuss these recommendations further, please contact me or Stephanie Krenrich, Senior Vice President of Policy and Government Affairs, at skrenrich@advocatesforcommunityhealth.org.

Sincerely,

Amanda Pears Kelly
Chief Executive Officer
Advocates for Community Health