

Dr. Michael Chernew  
Chair  
Medicare Payment Advisory Commission  
425 I Street NW, Suite 701  
Washington, DC 20001

Dear Dr. Chernew,

The Medicare Payment Advisory Commission's (MedPAC's) history as an independent advisor to Congress on issues affecting the Medicare program has been crucial to our successes. Since its establishment as part of the Balanced Budget Act of 1997, MedPAC has helped Congress ensure the long-term sustainability of Medicare and avoid policies that could negatively impact patient outcomes and the cost-effectiveness of care. Accordingly, we urge MedPAC to take several considerations into account as technology's already ubiquitous role in health care expands.

MedPAC's consideration of digital health's role in health care for elderly Americans must run both broader and deeper. The United States is staring down a persistent physician shortage, which continues to exacerbate health care resources.<sup>1</sup> Now, over 80 percent of Americans have at least one chronic condition, and most have at least two, with increasing disease combinatorial complexity.<sup>2</sup> Given these trends, Medicare's viability hinges in no small part on whether federal policy allows and prioritizes the use of digital health to execute health care delivery; preventive care strategies; better care coordination; and to minimize data entry by caregivers.

Research shows that digitally enabled preventive care strategies and remote patient monitoring can minimize costs and improve patient outcomes while controlling health care costs.<sup>3</sup> Unfortunately, Medicare rules have acted as barriers to their adoption and proliferation, evidenced by the fact that just 3 percent of Medicare expenditures go toward prevention. The only Medicare program that explicitly pays for preventive care is the Medicare Diabetes Prevention Program (MDPP), which is only inclusive of some virtual delivery capabilities. That MDPP does not permanently support fully virtual diabetes prevention services when all but a few Medicare beneficiaries live too far away from MDPP suppliers' physical locations to make use of them in person is unfeasible. This is only one example of how far behind Medicare is when it comes to digital health. MedPAC is well positioned to advise Congress on how to appropriately bring Medicare rules more in line with beneficiary and caregiver expectations as they seek to access digital health tools to enhance caregiver efficiency and efficacy, improve healthcare outcomes, and better control costs.

To date, MedPAC has addressed digital health tools only to a limited extent, and with a narrow focus. For example, during its November 2023 public meeting, MedPAC staff gave a

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<sup>1</sup> AAMC report reinforces mounting physician shortage. AAMC. (2021, June 11). <https://www.aamc.org/news/press-releases/aamc-report-reinforces-mounting-physician-shortage>

<sup>2</sup> Sorace J, Wong HH, Worrall C, Kelman J, Saneinejad S, MaCurdy T. The complexity of disease combinations in the Medicare population. *Popul Health Manag*. 2011 Aug;14(4):161-6. doi: 10.1089/pop.2010.0044. Epub 2011 Jan 17. PMID: 21241184.

<sup>3</sup> <https://pubmed.ncbi.nlm.nih.gov/33509728/>; <https://onlinelibrary.wiley.com/doi/full/10.1111/1753-0407.13227>; [https://mdrevolution.com/wp-content/uploads/2024/01/Case-Study\\_MD-Revolution-and-Cardiac-Solutions.pdf](https://mdrevolution.com/wp-content/uploads/2024/01/Case-Study_MD-Revolution-and-Cardiac-Solutions.pdf); [see evidence resource]

presentation on software as a service (SaaS) and prescription digital therapeutics (PDTs) and suggested that Medicare could “require that a manufacturer of a SaaS/PDT provide evidence that its product results in a clinically meaningful improvement for Medicare beneficiaries compared with the standard of care.”<sup>4</sup> This suggestion does not veer from established Medicare guidelines of reasonable and necessary and ignores the potential of SaaS and PDTs role in preventative medicine.

For Medicare to meaningfully transition to value-based care, payment policies need to maximize efficiencies in care delivery and enhance patient safety using digital health tools. Yet MedPAC’s recommended approach would effectively punish providers for using—and innovators for developing—digital health tools that improve health outcomes and control costs. MedPAC has focused on prescribed therapeutics anchoring care through physicians and has ignored the importance of beneficiary driven service assisted by autonomous care. MedPAC needs to better evaluate the flourishing health care technological landscape, which is showing great potential. Specifically, “the early detection of disease through efficient and cost-effective patient data screening tools that benefit from the predictive capabilities of AI” will be crucial to the future of preventative care in the U.S.<sup>5</sup>

MedPAC’s most recent assessment of digital health tools misses some key aspects of their most recent capability and future applicability. First, the standard of care is now often inclusive of digital health tools. Accordingly, a digital health tool that meets the standard of care would be unlikely to show meaningful improvement “compared with” the existing standard of care. Second, patients and caregivers are in the best position to evaluate the relative efficacy of digital health tools against alternatives and may lower costs. As heart failure and diabetes cases continue to skyrocket across the country, it’s critical that patients have access to new and affordable technologies, such as digital health apps, that can help with monitoring their health and keep them out of more expensive settings, like the hospital. Embedding those rigid determinations in payment policy inappropriately limits beneficiaries’ and caregivers’ options, stunting dynamic market mechanisms that would otherwise advance the best options. Third, as the world continues to adopt digital health platforms and apps, MedPAC has not incorporated their ubiquitous use and the critical role they now play for patients, caregivers, and others into their assessment of the health care ecosystem. MedPAC must explore digital health’s role in improving outcomes and lowering costs in the face of an overwhelming evidence base demonstrating these tools’ ability to deliver value to Medicare beneficiaries and providers.

We strongly encourage MedPAC to incorporate digital health tools into future evaluations of Medicare policy recommendations and, in partnership with all stakeholders impacted by Medicare policy, ensure that its evaluations and recommendations related to digital health are inclusive of each of the Quadruple Aims. We want to make sure that as MedPAC stands at the center of healthcare’s evolution, and does not inadvertently stand in the way.

I look forward to your response and thank you for taking these considerations into account.

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<sup>4</sup> <https://www.medpac.gov/wp-content/uploads/2023/03/SaaS-MedPAC-11.23.pdf>.

<sup>5</sup> Iqbal U, Celi LA, Li YJ. How Can Artificial Intelligence Make Medicine More Preemptive? J Med Internet Res. 2020 Aug 11;22(8):e17211. doi: 10.2196/17211. Erratum in: J Med Internet Res. 2020 Aug 26;22(8):e23645. PMID: 32780024; PMCID: PMC7448175.



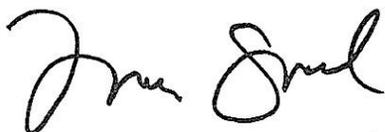
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Vern Buchanan  
Member of Congress



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