

**Initial Feedback¹ by the Preliminary Review Team (PRT) of the
Physician-Focused Payment Model Technical Advisory Committee (PTAC)
on the
Transcript-Cited GenAI Payment Model for Care Coordination Proposal
Submitted by CareCo**

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Summary of Initial Feedback

The proposal addresses the important and emergent issue of the use of technology-enabled care—specifically, generative artificial intelligence (GenAI)—to improve the delivery of health care, and payment mechanisms to optimize the use and impact of this technology. The Preliminary Review Team (PRT) found that the submitted model has significant limitations in terms of the criteria specified by the Secretary. Specifically, the proposal does not adequately describe how the quality of care to Medicare beneficiaries would be improved under the proposed model (Criterion 2: Quality and Cost) and how the use of the GenAI technology would address value over volume (Criterion 4: Value over Volume). Additionally, the PRT determined that the proposal does not present a fully developed payment model (Criterion 3: Payment Methodology).

Evaluation of Proposal Against Select Criteria

CRITERION 1. SCOPE (High Priority Criterion). The proposal aims to either directly address an issue in payment policy that broadens and expands the CMS APM portfolio or include APM Entities whose opportunities to participate in APMs have been limited.

The proposal describes a model that addresses a broad Medicare beneficiary and provider population and allows participating organizations to choose the GenAI transcription service they would like to use. The proposed model focuses on using GenAI to transcribe patient-provider interactions in the medical record. However, it is not clear what specific care delivery or payment problem this model addresses. Additionally, it is not clear how the care delivery approach in the proposed model will differ from that of

¹ Disclaimer Regarding Initial Feedback:

- Initial feedback is preliminary feedback from a Preliminary Review Team (PRT) subcommittee of the PTAC and does not represent the consensus or position of the full PTAC.
- Initial feedback is not binding on the full Committee. PTAC may reach different conclusions from that communicated from the PRT as initial feedback.
- Provision of initial feedback will not limit the PRT or PTAC from identifying additional weaknesses in a submitted proposal after the feedback is provided.
- Revising a proposal to respond to the initial feedback from a PRT does not guarantee a favorable recommendation from the full PTAC to the Secretary of Health and Human Services (HHS).

the CMS Innovation Center’s Advancing Chronic Care with Affective Scalable Solutions (ACCESS) Model, which begins in July 2026. Finally, the proposal lacks detail in the following areas:

- The feasibility of practices/physicians participating (readiness, cost of services)
- The availability (e.g., accessibility, cost) of these types of GenAI tools currently on the market
- How practices will be chosen for the pilot (e.g., geographic spread, rural vs urban locations)

CRITERION 2. QUALITY AND COST (High Priority Criterion). The proposal is anticipated to (1) improve health care quality at no additional cost, (2) maintain health care quality while decreasing cost, or (3) both improve health care quality and decrease cost.

The PRT had the following concerns related to quality and cost, mainly around how the use of this tool would improve the quality of Medicare beneficiary’s care and/or reduce the cost of providing that care. For instance, how will this model improve the quality of care received from the perspective of the patient?

- The GenAI technology proposed is a retrospective tool and not real-time, such as where the provider could address missed questions or concerns during the live provider-patient interaction based off an automated summary from an AI scribe rather than retrospectively.
- The use of the GenAI technology to summarize the provider-patient conversation, create structured documentation, and submit for reimbursement seems more likely to improve the quality of the billing/claims process rather than improving the quality of patient care and/or lowering the cost of providing that patient care
- The proposal does not include information on how participants will receive feedback on performance metrics or where those performance metrics will be derived and stored.
- It is not clear how participants would measure improved patient health outcomes that result from submitting a code for including cited documentation to receive additional payment
- The proposal does not quantify the expected direct savings
- Estimates on the cost of the technology and how provider organizations would pay for GenAI tool(s) are not provided
- The use of the tool may decrease cost to the practice because it decreases the amount of time providers spend to create and update documentation; however, it does not specify how the use of this tool would lower the costs of providing care to Medicare or its beneficiaries

CRITERION 3. PAYMENT METHODOLOGY (High Priority Criterion). Pay APM Entities with a payment methodology to achieve the goals of the PFPM Criteria. Addresses in detail through this methodology how Medicare, and other payers if applicable, pay APM Entities, how the payment methodology differs from current payment methodologies, and why the PFPM cannot be tested under current payment methodologies.

The model's proposed payment methodology lacks significant detail that would be needed to allow the PRT to evaluate the effectiveness of the payment methodology and its ability to meet the criteria of an Alternative Payment Model (APM).

- The proposal does not specify how payment amounts would be determined, how the per-member-per-month (PMPM) modifier payment would work, the services to be included, and the specific time period
- The proposal does not provide details on how benchmarks would be set
- The proposal does not explain how performance on quality or cost measures would affect payment (e.g., % increase/decrease)
- The proposal does not offer specific details regarding the bonus payments (e.g., amount/% of shared savings, specific quality measures that must be met to receive payments)
- The proposal is not clear regarding how individual providers of an ACO or group practice would receive payment (leaves it to the accountable entity)

CRITERION 4. VALUE OVER VOLUME. The proposal is anticipated to provide incentives to practitioners to deliver high-quality health care.

The PRT is concerned with how the proposed model would address value over volume given that the primary proposed payment method is an add-on CPT/G code that would still be tied to the volume of services.

- The proposal does not clearly address how this model would incentivize providers to modify their behaviors to deliver higher quality care to beneficiaries over the volume of services.
- The proposal does not include information on the potential unintended consequences of providing these service-based incentives, such as continuing to promote or escalate a traditional fee-for-service payment method that is based on the volume of services billed rather than patient outcomes. While the delivery of care may be made more efficient for the provider through GenAI transcription, it is not clear that the value of the care provided to Medicare beneficiaries will be improved or that the costs to Medicare will not increase with the added incentives.

CRITERION 7. INTEGRATION AND CARE COORDINATION. Encourage greater integration and care coordination among practitioners and across settings where multiple practitioners or settings are relevant to delivering care to the population treated under the PFPM.

This model aims to increase collaboration between primary and specialty providers by producing automated documentation with follow-up items (e.g., updated care plans, interventions, quality measure reporting, risk adjustment coding, social determinants of health needs) that can be shared across the care delivery team. The model also aims to collaborate with community or social services based on any documented health-related social needs. However, it is not clear exactly how GenAI transcription will promote greater integration and care coordination. Providers already have documentation regarding patient interactions in the medical record. How will generating this

documentation using AI tools promote or improve integration and coordination among primary care physicians, specialists, and other practitioners versus what is already being done? Additionally, the proposal lacks clarity in the following areas:

- The proposal does not describe how many and what providers on a care delivery team need to be involved for the model to be successful (e.g., to improve care coordination, the organization would most likely need the involvement of primary and specialty providers and perhaps care coordinators)
- The proposal does not specify how the documentation would be shared across the care delivery team in a way that differs from how existing documentation already is shared
- The GenAI tool is retrospective and not real-time which may impact the ability the tool has to improve care coordination.

Other Considerations

CRITERION 5. FLEXIBILITY. Provide the flexibility needed for practitioners to deliver high-quality health care.

The proposal describes that the model provides the flexibility for transcription services to be used across a variety of settings. Further, participating organizations have the flexibility to determine the documentation outputs generated from the transcript. However, it is not clear how these flexibilities, as they relate to the proposed GenAI transcription, will encourage providers to deliver higher quality, high-value care to the patient. The PRT also had the following concerns.

- The proposal does not specify how to account for changes in technology, such as updates to the transcription service tool used
- The proposal specifies that the GenAI transcription services tool would be embedded into existing workflows but does not offer specific details on how to embed into workflows

CRITERION 6. ABILITY TO BE EVALUATED. Have evaluable goals for quality of care, cost, and any other goals of the PFPM.

While the proposal provides some key metrics on how success of the model would be measured (e.g., quality spending, utilization, and equity measures), it does not provide details on what the evaluable goals are related to quality of care and cost, the exact metrics to be used, implementation of the metrics, or the construction of potential comparison groups.

CRITERION 8. PATIENT CHOICE. Encourage greater attention to the health of the population served while also supporting the unique needs and preference of individual patients.

The proposal indicates that under this model patients have the ability to choose their mode of communication with their provider. However, it is not clear how this differs from what providers already

are able to do with their patients. That is, in what way does this model promote patient choice that is different than the choices that patients already have (i.e., to interact with their providers in person, virtually, via text, etc.)? The proposal indicates that the model encourages shared decision-making by accurately capturing the patient-provider conversation and establishing patient trust of the provider through follow-up/interventions generated from the automatic structured documentation produced from the recorded patient-provider conversation. Again, how does this use of GenAI to generate documentation and follow-up/interventions promote shared decision-making beyond the current methods that providers already use to generate documentation and follow-up/interventions? The proposal indicates that use of transcription and structured documentation would allow for easier capture of health-related social needs. How and why would this be the case?

CRITERION 9. PATIENT SAFETY. How well does the proposal aim to maintain or improve standards of patient safety?

The proposal indicates that the model could lead to a reduction in the amount of documentation errors and may potentially decrease some care gaps, such as health-related social needs and medication issues. However, the proposal does not specify measures to be used to ensure appropriate care is being provided and how any potential safety improvements would be identified and measured. Additionally, are there any potential risks or unintended consequences to patients of the use of this technology (e.g., related to safety or misuse of recorded and transcribed conversations)?

CRITERION 10. HEALTH INFORMATION TECHNOLOGY. Encourage use of health information technology to inform care.

The proposed model is structured around the use of GenAI technology to create the summarization of the patient-provider conversation, generate structured documentation based on the transcript, and integrate the documentation into the patients' electronic health record. The model allows for participating organizations to choose the GenAI tool they would like to use. However, the proposal does not provide information on the availability and cost of GenAI tools to providers.