



11/10/2025

Physician-Focused Payment Model Technical Advisory Committee
c/o U.S. DHHS Assistant Secretary of Planning and Evaluation, Office of Health Policy
200 Independence Avenue S.W.
Washington, D.C. 20201
PTAC@hhs.gov

Letter of Intent – Mendel Erlenwein / Transcript-Cited GenAI Payment Model for Care Coordination

Dear Committee Members,

On behalf of CareCo, I would like to express intent to submit a proposed Physician-Focused Payment Model (PFPM) for PTAC review on **12/10/2025**.

Expected Participants

This model would apply to **Medicare beneficiaries receiving longitudinal and preventive care**, including those eligible for Chronic Care Management (CCM), Transitional Care Management (TCM), Annual Wellness Visits, Behavioral Health Integration, and telehealth/virtual care programs.

- **Patient types:** Complex chronic patients, high-need populations, and beneficiaries with unmet social determinants of health (SDOH).
- **Provider types:** Physicians, nurse practitioners, and care coordinators in primary care, multi-specialty practices, Accountable Care Organizations (ACOs), Federally Qualified Health Centers (FQHCs), and other provider groups engaged in care coordination.
We estimate initial implementation could involve **hundreds of clinicians** across diverse practice settings, with scalability to national adoption.

Goals of the Payment Model

- **Shift reimbursement upstream:** Replace reliance on downstream claims as a proxy for quality with transcript-grounded documentation tied to the patient's actual words.
- **Improve accuracy and timeliness:** Deliver care plan updates, quality measure reporting, HCC capture, and SDOH insights directly from patient conversations.
- **Eliminate waste, fraud, and abuse:** Require every reimbursed output to be **cited to a transcript excerpt**, making fabricated documentation impossible.
- **Enhance patient outcomes:** Ensure documentation truly reflects patient voice, leading to more personalized, effective, and equitable care.

- **Reduce burden on providers:** Streamline documentation with GenAI while ensuring human review and accountability.

Model Overview

The model reimburses providers for **GenAI-supported documentation that is directly traceable to transcribed patient interactions** (via phone, video, text messaging, or in-person ambient tools).

- Each reimbursed documentation event (e.g., care plan update, quality measure entry, gap in care closure) must include a **verifiable citation to the transcript**.
- Payment mechanisms may include **add-on CPT codes, tiered per-event reimbursement, or PMPM modifiers** for practices using certified transcript-grounded GenAI systems.
- This model cannot be adequately tested under current methodologies because existing payment models tie reimbursement to claims, time, or generic documentation, not to patient conversations.

We believe this model has strong potential to meet **MACRA's Advanced Alternative Payment Model (APM)** requirements.

Implementation Strategy

CareCo is an AI company focused on care coordination, working with provider groups and value-based entities. While CareCo is the submitting organization, the model is designed to be **vendor-neutral**, allowing any certified GenAI system to participate if it meets transcript-traceability standards.

We are currently engaging with Health Systems, physician groups, ACOs, and FQHCs interested in piloting this model.

Timeline

- **LOI submitted:** 11/10/2025
- **Proposal submission:** 12/10/2025
- **Earliest implementation readiness:** 1 month after approval

Sincerely,



Mendel Erlenwein, CEO & Founder, CareCo.

50 Reynolds Street, Kingston PA 18704