

PROTECT MEDICAID

BACKGROUND: The 2012 Maryland General Assembly increased Medicaid reimbursement for Evaluation and Management codes to Medicare rates for all physicians who accept Medicaid. This was done to address two concerns: the coming expansion of health care to tens of thousands of Marylanders and a significant lack of participation in the Medicaid program by Maryland physicians due to inadequate reimbursement. MedChi applauded the reimbursement rate increase and subsequent retention of funding for increase in the 2013 and 2014 Sessions. The increased reimbursement had been a success and physician participation in Medicaid had significantly increased. Then, former Governor O'Malley reduced reimbursement for E & M codes in the FY 2015 midyear budget cuts that were adopted in December 2015 just before he left office. Beginning April 1, 2015, reimbursement for E&M codes had been reduced from 100% of Medicare to 87% of Medicare. That reduction was maintained in the proposed FY 2016 budget as well. As a result of MedChi's advocacy, the budget passed by the General Assembly restored a portion of the rate reduction and increased E&M Code payment to 92% of Medicare. The increase was ultimately agreed to by the Administration.

PROBLEM: While partial restoration of Medicaid payment rates has mitigated the negative impact on physician participation and patient access, until funding is fully restored to Medicare levels, physician participation will fail to keep pace with the demand for services, access to medically necessary care will be jeopardized, and ultimately the total cost of care will increase. Medicaid's enrollment has increased significantly since the implementation of federal health reform. The current eligibility redetermination process has resulted in a short term decrease in enrollment but that trend is expected to be reversed in the coming year. Maryland's ability to maintain an adequate provider network to ensure patient access to medically necessary services will remain at risk as long as Medicaid payment rates are less than Medicare. Furthermore, Maryland can only solve the problem of physician shortages in the Medicaid program by keeping any Medicaid funding increase applicable to all specialties. The application to all physicians regardless of specialty is important not just to encourage private practice physicians to participate in the Medicaid program, but also for employed and hospital-based physicians who see many Medicaid patients often in emergency situations.

SOLUTION: Support physician participation and protect the integrity of the Medicaid program by restoring E&M payment for all physicians who serve Medicaid enrollees to Medicare rates.

WHAT TO DO: Call/write/e-mail your legislators and ask them to support funding Medicaid E&M codes for all physicians who accept Medicaid at Medicare rates.