



The Maryland State Medical Society

1211 Cathedral Street
Baltimore, MD 21201-5516
410.539.0872
Fax: 410.547.0915
1.800.492.1056
www.medchi.org

January 18, 2011

Michelle Phinney, Director
Office of Regulation and Policy Coordination
Department of Health and Mental Hygiene
201 W. Preston St., Room 512
Baltimore, MD 21201

RE: Proposed Regulations – COMAR 10.09.02 Medical Care Programs,
Physician Services

Dear Ms Phinney:

MedChi, The Maryland State Medical Society, submits these comments in opposition to the proposed reduction in reimbursement for physician services provided to individuals covered by both Medicare and Medicaid (“dually eligibles”). The Department announced this reimbursement change in August of 2010 but is just now publishing the regulation change to effectuate the reduction.¹ MedChi wishes to reiterate its strong concern regarding these cuts which it expressed in August when the policy change was announced.

These proposed changes reverse a long-standing policy of the State to cover the Medicare co-payment for services rendered to dually eligible individuals. If these regulations are adopted, the State will no longer cover Part B coinsurance or copayments where the Medicare payment exceeds the Medicaid fee schedule for service. Medicaid payments for a service typically fall significantly below the Medicare rate, and even farther below fair market value. Thus, this new policy causes the effective reimbursement for various procedures and services provided to dually eligibles to fall to a very low rate, far below what is necessary to make performance of the service a break-even proposition for the practitioner.

When the reimbursement reduction was announced, a large number of physicians contacted MedChi to register their concern. A survey of MedChi members revealed that a significant number of physicians who now serve the dually eligible recipients determined that the negative impact of the reimbursement reduction to their practices would be severe or at least significant. 64% of those who responded to the survey indicated that they would definitely, or probably, withdraw from participation in the Medicaid program and no longer serve those patients.

¹ Published in the Maryland Register, Vol.37, Issue 26, Friday, December 17, 2010. Proposed changes to COMAR 10.09.

The impact of these reductions is particularly onerous for primary care physicians. 62% of those responding indicated a significant or severe impact with 87% indicating that it would have a negative impact on their likelihood of continuing to see Medicaid patients. Fifty percent of surgical specialists reported that the impact on their practice would be significant or severe, with 92% indicating that they would be less likely to see Medicaid patients.

MedChi wishes to emphasize that its members will not leave the Medicaid program because of less than average reimbursement – without that change current reimbursement often falls within that range. Rather, under this new policy, the effective rate of reimbursement may force physicians to leave the program because it is impossible for them to cover the costs of maintaining a practice. MedChi recognizes the severe fiscal crisis being experienced by the State and the tough choices that must be made. However, if the Medicaid program is to maintain its integrity and continue to provide adequate access to physician services, especially if it chooses to implement the type of draconian cuts reflected in this regulations, then it must develop alternative programs to attract and retain participating physicians. There are other states, such as South Carolina with its medical home program, that have developed innovative programs to serve the dually eligible that both financially reward physicians and save the state significant revenues. Med Chi strongly urges the State to establish creative pilot programs such as the medical home to begin to find alternatives approaches to cutting physician reimbursement when it seeks to save State revenues.

Respectfully submitted,

A handwritten signature in blue ink that reads "Gene M. Ransom, III". The signature is written in a cursive style with a horizontal line under the "III".

Gene M. Ransom, III
Chief Executive Officer

cc: Dr. Joshua Sharfstein, Secretary, DHMH