

2017 KEY LEGISLATIVE ISSUES

PROTECT MEDICAID

BACKGROUND: The 2012 Maryland General Assembly increased Medicaid reimbursement for Evaluation and Management (E&M) codes to Medicare rates for all physicians who accept Medicaid. This was done to address health care expansion and a significant lack of physician participation in the Medicaid program due to inadequate reimbursement. MedChi applauded the reimbursement rate increase. Then, former Governor O'Malley reduced reimbursement for E&M codes in the FY 2015 midyear budget cuts that were adopted in December 2015. 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. During the 2016 Session, the General Assembly again requested funding in the budget to increase the rates to 96%. While Governor Hogan ultimately did not agree to the method used for funding, he did increase E&M code reimbursement to 94%, effective October 1, 2016.

PROBLEM: 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 maintaining current E&M payment levels 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 for Medicaid E&M codes for all physicians who accept Medicaid at Medicare rates.