

2020 KEY LEGISLATIVE ISSUE

PROTECT MEDICAID ACCESS – RESTORE E&M CODE REIMBURSEMENT TO MEDICARE PARITY

PROBLEM: Medicaid payment rates to physicians have historically been too low to ensure an adequate network for enrollees, negatively affecting access to medically necessary services. Access to care challenges leads to poor outcomes and results in an increase in the cost of care for Medicaid recipients. Appropriate payment rates not only encourage private practice physicians to participate in the Medicaid program, but also lessens the negative impact on employed and hospital-based physicians. Without an appropriate physician network, many enrollees often seek care in the hospital under emergency situations. Failure to restore Evaluation and Management (E&M) codes payment to Medicare rates and the resulting cost of care increases could negatively impact Maryland's Total Cost of Care Contract. Restoration of rates to 100% of Medicare will improve efforts to overcome access to care challenges through increased practitioner participation and will preserve the cost-saving benefits that have been attained through a greatly expanded practitioner network.

BACKGROUND:

- In 2012, the State increased payment for E&M codes in Medicaid to 100% of Medicare rates for all physicians who accept Medicaid. This was done to address health care expansion and the significant lack of physician participation in Medicaid. Physician participation greatly increased due to the increase in payment rates.
- In 2015, due to budget shortfalls, E&M codes were reduced mid-year from 100% of Medicare to 87% of Medicare. Through strong advocacy, MedChi fought for restoration and successfully won an increase to 92% of Medicare.
- In 2016, MedChi requested full restoration of the rate and successfully worked with the General Assembly and Governor Hogan to achieve an increase in rates to 94% of Medicare.
- In 2017, MedChi continued to advocate for restoration of funding to full Medicare parity. Despite a significant Medicaid deficit coupled with the uncertainty of funding at the federal level, funding was successfully maintained at 94%.
- In 2018, as a result of MedChi's advocacy, Governor Hogan included \$17.6 million dollars in the budget to maintain Medicaid rates for the FY 2019 fiscal year.
- In the 2019 Session, MedChi successfully advocated for an additional \$4.76 million to be included in the supplemental budget to maintain Medicaid E&M rates for FY 2020 given an increase in Medicare rates at the federal level.

SOLUTION: The solution is to support increased physician participation and protect the integrity of the Medicaid program by restoring E&M code payment to 100% of Medicare rates.

WHAT TO DO: Call/write/e-mail your legislators. Request their support for restoration of E & M Code payment to Medicare rates. Contact MedChi for legislative contact information at 1-800-492-1056.