

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 has been a success and physician participation in Medicaid has significantly increased.

PROBLEM: Former Governor O'Malley reduced reimbursement for E & M codes in the FY 2015 midyear budget cuts that were adopted in December just before he left office. Beginning April 1, 2015, reimbursement for E&M codes has been reduced from 100% of Medicare to 87% of Medicare. That reduction is maintained in the proposed FY 2016 budget as well. While it may be tempting to further cut Medicaid due to Maryland's predicted shortfall in its operating budget, any further reduction will exacerbate physicians dropping out of Medicaid because of inadequate reimbursement. This would create significant barriers to patient access and ultimately increase the cost of care. The tremendous increase in enrollment that has occurred with the implementation of federal health care reform makes retention of the enhanced reimbursement policy essential. Maryland's ability to maintain an adequate provider network and ensure patient access to necessary services would be at risk. Maryland can only solve the problem of physician shortages in the Medicaid program by keeping the Medicaid funding increase for all specialties. This 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 so many Medicaid patients often in emergency situations.

SOLUTION: Support physician participation and protect the integrity of the Medicaid program by keeping increased E&M payment for all physicians who serve Medicaid enrollees. Oppose any further reduction in reimbursement and encourage the development of a plan to increase Medicaid reimbursement back to parity with 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 and make no further cuts.