Summary of research: Medicaid physician payment and access to care

*Drop in Percentage of Physicians Participating in Medi-Cal Raises Red Flags*
Amy Adams, California Health Care Foundation, July 2016
- Data from a survey of California physicians show physician participation in Medi-Cal declined from 69 percent in 2013 to 63 percent in 2015. The percentage of specialty care physicians participating in Medi-Cal likewise dropped from 70 percent to 64 percent.
- The overall supply of physicians participating in Medi-Cal is not keeping pace with the growth of enrollment.
- The proportion of physicians accepting new Medi-Cal patients lags behind the proportion accepting new patients covered by Medicare (74 percent), as well as behind the proportion accepting new patients with private health insurance (82 percent), both of which have higher reimbursement rates than Medi-Cal.

*Are Surgeons Being Paid Fairly By Medicaid? A National Comparison of Typical Payments for General Surgeons*
Charles D. Mabry et al., Journal of the American College of Surgeons, December 2015
- There are wide variations between Medicaid payments across states. Many state Medicaid programs pay far less for common surgical procedures than Medicare.
- Authors call into question the fairness of Medicaid reimbursement rates and caution that low reimbursement rates could disincentivize surgeons from accepting Medicaid patients.
- Unexplained discounts of Medicaid payments could have significant long term effects for patients dependent upon the Medicaid program for their care.

*Appointment Availability after Increases in Medicaid Payments for Primary Care*
Daniel Polsky et al., New England Journal of Medicine, January 2015
- Increased Medicaid reimbursement to primary care providers is associated with improved appointment availability for Medicaid enrollees among participating providers without generating longer waiting times.
- Availability of primary care appointments available to Medicaid patients increased by 7.7 percentage points, from 58.7% to 66.4%, after Medicaid payments were raised to Medicare levels in 2013 and 2014.
- The states with the largest increases in availability tended to be those with the largest increases in reimbursements, with an estimated increase of 1.25 percentage points in availability per 10% increase in Medicaid reimbursements.
- No such association was observed in the private-insurance group.

*Reversing the Medicaid Fee Bump: How Much Could Medicaid Physician Fees for Primary Care Fall in 2015? Evidence from a 2014 Survey of Medicaid Physician Fees*
Stephen Zuckerman, Laura Skopec, and Kristen McCormack, Urban Institute, December 2014
- Medicaid reimbursement rates for primary care fees will fall an average of 42.8 percent in 2015 if no extension of the ACA primary care fee increase policy is granted.
Several states face significant expansion of enrollment in their Medicaid programs while implementing substantial Medicaid fee cuts for primary care. Significant drops in primary care reimbursement may lead physicians to see fewer Medicaid patients, potentially leading these patients to have difficulty finding a physician or getting an appointment.

Medicaid expansion states face more significant fee reductions than non-expansion states (46.2 percent versus 36.8 percent), and states that had low Medicaid participation by primary care providers in 2011 and 2012 also face larger fee reductions than states with historically higher participation.

**Impact of state-specific Medicaid reimbursement and eligibility policies on receipt of cancer screening**

Michael Halpern et al., Cancer, October 2014

- Increased Medicaid reimbursement for office visits was consistently associated with an increased likelihood of a patient being screened for cancer.
- Researchers conclude that Medicaid reimbursement may be an important policy tool for increasing screening among the Medicaid population, who are less likely to be screened for cancer and more likely to present with advanced stage cancer than those with other insurance.

**Physician Participation in Medi-Cal: Ready for the Enrollment Boom?**

California Healthcare Foundation, August 2014

- Without a large increase in the number of physicians participating in Medi-Cal (Medicaid), beneficiaries are likely to have difficulty accessing primary care.
- Physicians are less likely to accept Medi-Cal patients than to accept patients covered by Medicare or private insurance. Willingness to accept Medicare and private insurance are similar, indicating that physicians are less willing to care for Medi-Cal patients than by patients covered by other forms of insurance.
- Physicians report they are more likely to accept new Medi-Cal patients than uninsured patients into their practices, which will be particularly important as Medi-Cal expands under the ACA.

**Primary Care Access for New Patients on the Eve of Health Care Reform**

Karin V. Rhodes et al., JAMA, June 2014

- According to simulation data, 57.9 percent of Medicaid patients were able to secure a new patient appointment with a primary care physician. 84.7 percent of privately insured patients were able to secure new patient appointments. Medicaid patients were far more likely (69.1 percent) to be told that their insurance status is the reason they could not secure an appointment.
- Study authors suggest that the primary care system has the capacity to absorb new privately insured patients, but that Medicaid patients will continue to face barriers to access to care.

**Pay hike lures more CT docs to join Medicaid**


- According to data from the Connecticut Department of Social Services, the number of primary care providers – including advanced practice registered nurses and physician assistants – enrolled in Medicaid doubled between January 2012 and December 2013.
- There were 1,362 physicians participating in Medicaid in January 2012; 1,826 in January 2013 (34 percent increase); and 2,442 in December 2013 (79 percent increase since January 2012 and 34 percent increase since January 2013).
- The increase is attributed a temporarily increase primary care reimbursement rates for services provided in 2013 and 2014.
Two-Thirds of Primary Care Physicians Accepted New Medicaid Patients in 2011–12: a Baseline to Measure Future Acceptance Rates
Sandra L. Decker, Health Affairs, July 2013
This study examines the acceptance rate of new Medicaid patients by office-based physicians. The study also compares acceptance rates between primary care physicians and specialists, and provides state-specific analysis.

- Nearly 30 percent of office-based physicians did not accept new Medicaid patients in 2011 and 2012.
- Physicians’ acceptance of Medicaid patients may increase with Medicaid payment increases; however, the fact that the primary care payment increases are temporary could mitigate their impact in primary care.
- Physician acceptance rates may depend on several other factors in addition to payment levels, such as delays in payment and the degree of administrative burden involved in getting paid.

Cumulative Percentage Change in Medicaid Fees, 2008-2012
Stephen Zuckerman and Dana Goin, Urban Institute and Kaiser Commission on Medicaid and the Uninsured, December 2012

- Physician payment rates for Medicaid increased on average by 4.9 percent between 2008 and 2012, while inflation for medical services increased by 14.9 percent, resulting in a reduction in real fees.

In 2011 Nearly One-Third of Physicians Said they Would Not Accept New Medicaid Patients, But Rising Fees May Help
Sandra L. Decker, Health Affairs, August 2012
This study provides data on the percentage of office-based physicians by state who accept new Medicaid patients and examines factors that may influence their decision, including the following: the number of Medicaid beneficiaries in a state, percentage of the Medicaid population in capitated managed care plans, number of physicians per capita in the state, and Medicare-Medicaid fee-for-service ratio in the state. The study found the following:

- Nationally only 69.4 percent of physicians accepted new Medicaid patients in 2011. This is sharply lower than the number of physicians accepting new Medicare patients (83.0 percent), privately insured patients (81.7 percent), self-pay patients (91.7 percent) and any new patients (96.1 percent).
- Physician acceptance rates were higher in states with higher Medicare-to-Medicaid fee-for-service fee ratios. In fact, a 10 percentage point increase in the fee ratio raised physician acceptance of new Medicaid patients by 4 percentage points.
- The following factors did not have an impact on a physician’s willingness the accept new Medicaid patients: percentage of Medicaid population in capitated managed care, number of physicians per capita in the state, or percent of Medicaid enrollees in the state.

A Comparison of Two Approaches to Increasing Access to Care: Expanding Coverage versus Increasing Physician Fees
Chapin White, Health Services Research, April 2012
The article compares the effects of coverage expansion and increased physician payment on utilization of physician services by children.

- Increases in physician fees are associated with broad-based improvements in indicators of access.
Trends in Medicaid Physician Fees, 2003-2008
- While physician payment rates for Medicaid increased on average by 15 percent between 2003 and 2008, this was below the general rate of inflation, resulting in a reduction in real fees.

Changes in Medicaid physician fees and patterns of ambulatory care
Sandra L. Decker, Inquiry, Fall 2009
- Cuts in Medicaid physician fees are associated with reductions in the number of visits for Medicaid patients compared to privately insured patients.
- Cuts in fees also lead to a shift away from physician offices and toward hospital emergency departments and especially outpatient departments.
- Primary diagnoses for which site of care shifts are most pronounced include hypertension, asthma, urinary tract infections, and diabetes

Do Reimbursement Delays Discourage Medicaid Participation by Physicians?
Peter J. Cunningham and Ann S. O’Malley, Health Affairs, January/February 2009
This study examines the impact of payment levels and delays in payment on a physicians’ willingness to participate in Medicaid. The study makes the following findings:
- Physicians (both primary and specialists) in states with high payment rates are more likely to participate in Medicaid than physicians in states with lower rates. This is consistent with earlier research on this topic.
- Slow payment times can act as an offset to the effects of high Medicaid fees. For example, in states with high fees and fast payment, 64 percent of physicians accepted all new Medicaid patients. However, in states with high-fees and slow payment only 51 percent of physicians accepted all new Medicaid patients.
- Payment times were less of a factor in affecting Medicaid participation in low payment states.

The Effect of Medicaid Payment Generosity on Access and Use among Beneficiaries
Yu-Chu Shen and Stephen Zuckerman, Health Services Research, June 2005
- Higher payments increase the probability of having a usual source of care and the probability of having at least one visit to a doctor and other health professional for Medicaid adults, and produce more positive assessments of the health care received by adults and children.

For additional information, please contact Annalia Michelman, JD, Senior Legislative Attorney, at annalia.michelman@ama-assn.org or (312) 464-4788.