

Summary of research: Medicaid physician payment and access to care

Medicaid Physician Fees and Access to Care Among Children with Special Health Care Needs

Pinka Chatterji, Sandra Decker & Jason Huh, National Bureau of Economic Research Working Paper 26769, February 2020

- Raising Medicaid primary care payments to at least 90 percent of Medicare rates is associated with a 15 percent reduction in the likelihood that children with special healthcare needs lack a usual source of care.
- Fee increases are also associated with a nearly 2.5 percentage point reduction in not receiving needed specialty care.

The Impacts of Physician Payments on Patient Access, Use, And Health

Diane Alexander & Molly Schnell, National Bureau of Economic Research Working Paper 26095, July 2019

- Increasing payments for new patient office visits reduces reports of providers turning away beneficiaries
- Closing the gap in payments between Medicaid and private insurers would reduce more than two-thirds of disparities in access among adults and would eliminate disparities among children.
- These improvements in access lead to more office visits, better self-reported health, and reduced school absenteeism.
- Financial incentives for physicians drive access to care and have important implications for patient health.

Physician Acceptance of New Medicaid Patients: What Matters And What Doesn't

Kayla Holgash & Martha Heberlein, Health Affairs, April 2019

- Higher payment continues to be associated with higher rates of accepting new Medicaid patients.
- Physicians in states that pay above the median Medicaid-to-Medicare fee ratio accepted new Medicaid patients at higher rates than those in states that pay below the median, with acceptance rates increasing by nearly 1 percentage point (0.78) for every percentage point increase in the fee ratio.

Associations Between the Patient Protection and Affordable Care Act Medicaid Primary Care Payment Increase and Physician Participation in Medicaid

Andrew Mulcahy, Tadeja Gracner & Kenneth Finegold, JAMA Internal Medicine, July 2018

- Descriptively, the Medicaid share of patients increased by about 25% from 2012 to 2015, although the share did not increase differentially in states and months subject to higher payment rates
- Authors conclude that the limited duration and design of the payment increase may have dampened its effectiveness.

Reimbursement Rates for Primary Care Services: Evidence of Spillover Effects to Behavioral Health**Johanna Catherine Maclean, Chandler McClellan, Michael F. Pesko, Daniel Polsky****NBER Working Paper No. 24805, July 2018**

- Higher primary care Medicaid reimbursement rates in 2013 and 2014 were associated with improved behavioral health outcomes among enrollees, without a corresponding increase in behavioral health services utilization.
- The increase in primary care reimbursement rates within Medicaid had positive spillovers to behavioral health outcomes: mental illness, substance use disorders, and tobacco product use.
- Authors note that the temporary nature of the fee policy may have muted the effects and policies that permanently increase Medicaid reimbursement rates may have larger effects on outcomes.

Public And Private Payments For Physician Office Visits**Adam Biener and Thomas Selden, Health Affairs, December 2017**

- For physician office visits of all types, total payments under Medicaid averaged 62.2 percent of payment amounts under employer-sponsored insurance. Total payments under Medicaid averaging 73.7 percent of those under Medicare.
- Authors note that Medicaid patients may face barriers if physicians are unwilling to provide sufficient quantity or quality of care at Medicaid payment rates.
- The literature shows that low Medicaid payment is not necessarily associated with poor access for Medicaid beneficiaries. However, there is evidence that low Medicaid payments are associated with lower provider participation rates, some access problems, and perhaps lower quality of care.
- Medicaid third-party payments would have to rise substantially, with obvious fiscal implications, to close the Medicaid–private insurance difference in total payments without increasing cost sharing for Medicaid enrollees.

Declining Medicaid Fees and Primary Care Appointment Availability for New Medicaid Patients**Molly Candon, Stephen Zuckerman, Douglas Wissoker, et al, JAMA Internal Medicine,****November 2017**

- Across the 10 states, the mean Medicaid fee for a level-3, new-patient office visit was \$68.58 in 2012, \$107.38 in 2014, and \$75.67 in 2016. Appointment availability for new Medicaid patients followed a similar pattern: 56.2% in 2012, 65.5% in 2014, and 61.5% in 2016.
- A \$10 change in Medicaid fees was estimated to be associated with a 1.7 percentage change in appointment availability for new Medicaid patients
- The association between Medicaid fees and primary care appointment availability for new Medicaid patients is robust and not dependent on whether fees increase or decrease.
- Reductions in Medicaid funding would affect the breadth of primary care physician participation in Medicaid and may compromise access to primary care for new Medicaid patients.

Differences in Payments for Child Visits to Office-Based Physicians: Private versus Medicaid Insurance, 2010 to 2015**Pradip Muhuri and Steven Machlin, Agency for Healthcare Research and Quality, August 2017**

- An estimated 35.2 percent of all child visits to office-based physicians were paid by Medicaid (approximately 53.5 million visits).
- In 2014-2015, mean total payments per child visit to office-based physicians were higher for privately insured than Medicaid covered visits. Mean total payments were \$88 higher for visits covered by private insurance (\$214) than those covered by Medicaid (\$126); median total

payments were \$44 higher for visits covered by private insurance (\$126) than those covered by Medicaid (\$82).

- Authors state that, given these generally lower reimbursement rates, children enrolled in Medicaid may have more difficulty gaining access to physicians, obtaining timely appointments or getting referrals to specialists than their privately insured counterparts.

Outpatient Office Wait Times and Quality Of Care For Medicaid Patients

Tamar Oostrom, Liran Einav and Amy Finkelstein, Health Affairs, May 2017

- Medicaid patients are likely to wait longer in a doctor's waiting room prior to a scheduled appointment than privately insured patients in states with less generous Medicaid reimbursement rates.
- Authors suggest that the negative correlation between wait time and reimbursement rates may be because in higher-reimbursement states, Medicaid patients have more access to high-quality practices and providers.

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**Greg Bordonaro, Hartford Business Journal, January 2014**

- 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 (81.7percent), self-pay patients (91.7percent) and any new patients (96.1percent)

- 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 to 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.

Physician Willingness and Resources to Serve More Medicaid Patients: Perspectives from Primary Care Physicians

Kaiser Commission on Medicaid and the Uninsured, April 2011

- Among PCPs who limit their Medicaid participation, low payment, administrative burdens, and difficulty arranging for specialist care all emerge as important reasons.
- Almost 90% of the PCPs who accept no or only "some" new Medicaid patients cite inadequate payment as a reason, but an equal share cite more than one reason as a very or moderately important factor in their decision.
- Three-quarters cite payment delays and billing requirements, and 60% cite the "high clinical burden" of Medicaid patients.

Trends in Medicaid Physician Fees, 2003-2008

Stephen Zuckerman, Aimee F. Williams and Karen E. Stockley, Health Affairs, 28 April 2009.

- 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.

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