

## INCREASE ACCESS FOR MEDICAID PATIENTS

# Improve Medicaid Reimbursement Rates

Since 2019, over 230,000 adult Virginians have newly enrolled in Medicaid. 2018 data indicates 63% of physicians in Virginia participate with Medicaid, and of that population, 73% are accepting new Medicaid patients.

## The Problem: Current Medicaid Rates Decrease Access to Care

Medicaid's extremely low reimbursement rates make it unsustainable for some medical practices to employ, support, and retain the team needed to care for these patients.

In a national study, providers were found to be less likely to accept new patients insured by Medicaid (70.8%) than those with Medicare (85.3%) or private insurance (90%).

### Small Steps Towards Successful Medicaid Expansion

A sustainable Medicaid system allows physicians and other health care providers to consistently provide the quality of care people deserve. In 2019, Medicaid reimbursement rates were increased to 70% of Medicare rates for specialties including: anesthesia, primary and preventive care, and emergency care.



*Increasing Medicaid payments to primary care doctors is associated with improvements in access, better self-reported health, and fewer school days missed.*

*- Stanford University*

## The Solution: Increase Medicaid Reimbursement Rates

For every 1 percent increase in the fee ratio, patient access increases by nearly one percentage point. By continuing to improve the Medicaid Reimbursement rates, the General Assembly will expand access to quality health care. MSV supports increasing Medicaid rates to 88 percent of Medicare rates—the same as Virginia's hospitals.

- The Medicaid and CHIP Payment and Access Commission (MACPAC) recently found (April 2019) that higher Medicaid fees are associated with higher rates of physicians 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 (.78) for every percentage point increase in the fee ratio.
- According to a January 2018 study in the Journal of the American Academy of Pediatrics, "Office-based primary care pediatricians increased their Medicaid participation after the payment increase."



## **Q: Why would Medicaid reimbursement rates affect physician's ability to operate a practice?**

The lower the reimbursement rates for physicians, the more difficult it is for medical practices to employ, support, and retain the team needed to care for these patients. Rates that are brought closer to parity with the market will help physicians keep their practices open, while increasing the access to care for the new Medicaid population.

## **Q: Why aren't physicians mandated to take Medicaid patients?**

A physician's decision to accept insurance is largely dependent on how they can best treat patients. Physicians have concerns about some health insurance plans' quality, coverage, benefits or reimbursement rates. Physicians should not be forced to accept plans that may result in substandard care.

## **Q: Will increasing reimbursement rates truly increase access to care?**

Yes. Research from The Journal of the American Academy of Pediatrics, Stanford University, and the New England Journal of Medicine have determined that increasing Medicaid reimbursement to primary care providers is associated with increased health care access.

## **Q: What is MSV's position on Medicaid expansion?**

MSV supports Medicaid expansion in the Commonwealth of Virginia and advocates for increased reimbursement to ensure these new Medicaid enrollees will have access to care.