June 10, 2014

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Fred Upton
Chairman
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Orrin Hatch
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Henry Waxman
Ranking Member
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Wyden and Upton and Ranking Members Hatch and Waxman:

On behalf of physicians, hospitals, health systems, and patients committed to ensuring patient access to physicians under the Medicaid program, we urge you to sustain federal primary-care payment policy in Medicaid - SSA 1902(a)(13)(C) (the Section) - for at least two additional years. Federal funding for this policy, which ensures a floor of Medicare payment rates for primary-care services in Medicaid, will expire on December 31, 2014. In addition, we urge the inclusion of physicians practicing obstetrics and gynecology as qualified specialties eligible for the enhanced payment if codes defined under the Section account for at least 60 percent of their Medicaid codes billed for the year.

Medicaid finances health services for more than 60 million Americans including children, pregnant women, individuals with disabilities and working Americans otherwise unable to afford insurance or whose jobs do not offer employer-based coverage. Unfortunately, lower payment rates (only close to two thirds of Medicare rates on average) create substantial barriers to patients getting access to needed health care services.[1]

The rate of Medicaid reimbursement can affect a physician's ability to accept new Medicaid patients into his or her practice.[2] According to the Medicaid and CHIP Payment and Access Commission (MACPAC), 67.4 percent of primary-care physicians have historically been willing to add new Medicaid/CHIP patients, while 75.1 percent of physicians are willing to add new Medicare patients, and 85.2 percent are willing to accept new privately-insured patients.[3]

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[1] See http://www.aap.org/en-us/professional-resources/Research/Medicaid%20Reimbursement%20Reports/2010-2011MedicaidReimbursement_Complete.pdf for state-by-state payments by billing code.

[2] Sandra L. Decker, Two-Thirds of Primary Care Physicians Accepted New Medicaid Patients In 2011-12: A Baseline To Measure Future Acceptance Rates, *Health Affairs*, 32, no.7 (2013): 1183-1187.

[3] See MACPAC Report March 2014 at page 115. https://a7d050c2-a-10078ef1-s-sites.googlegroups.com/a/macpac.gov/macpac/reports/2014-03-14_Macpac_Report.pdf?attachauth=ANoY7coHthFSOKSNW0KnkGEqH8vto5uMPH6_s4lvtFgUdCnYQiZp-

According to MACPAC, a large body of research has also shown that comparatively low payment rates are a substantial factor affecting primary-care physician participation in Medicaid and access to services for Medicaid beneficiaries.[4] Limited access to physician care leads individuals to seek primary care at hospital emergency rooms.[5]

Our goal is to ensure that Medicaid patients have access to a primary-care physician. Strong evidence demonstrates that sustaining the primary-care payment policy in Medicaid (SSA 1902(a)(13)(C)) through at least the end of 2016 is critical to ensuring access to primary care, leading to better quality of care for patients and decreased costs for the states.

In addition, we believe that inclusion of physicians practicing obstetrics and gynecology who are primary-care physicians is integral to achieving the intended purpose of the Medicaid primary-care payment increase. For many women, an ob-gyn is the only physician they see regularly during their reproductive years, and the only point of entry into the health care system. As of 2014, Medicaid programs in 34 states and the District of Columbia explicitly recognize ob-gyns as primary-care providers in their programs. With nearly half of all births in the United States now financed by Medicaid, inclusion of ob-gyns will improve access to primary-care physicians, particularly for those women who were previously enrolled in Medicaid for pregnancy-related services.

It is critical that Congress sustain its full funding support for this provision to preserve access to health care for millions of low-income Americans, and include ob-gyns for whom codes defined under the Section account for at least 60 percent of their Medicaid codes billed for the year. Thank you for your attention to the views of our organizations. If you have any questions regarding this issue, please contact Robert Hall at RHall@aap.org or 202/724-3309.

Sincerely,

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[4] "Headed for a Crunch: An Update on Medicaid Spending, Coverage and Policy Heading into an Economic Downturn," Kaiser Family Foundation, September 2008.

[5] See Medicaid and CHIP Payment and Access Commission, "Emergency Department Use: Recent Data and Evidence," MACPAC Session Brief, September, 2012.
https://docs.google.com/viewer?a=v&pid=sites&srcid=bWFjcGFjLmdvdnxtYWNwYWN8Z3g6NDJjZGY1YWZkNmVjYjBjMg

Academic Pediatric Association
Advocate Health Care
American Academy of Family Physicians
American Academy of Pediatrics
American College of Osteopathic Family Physicians
American College of Osteopathic Obstetricians and Gynecologists
American College of Physicians
American Congress of Obstetricians and Gynecologists
American Osteopathic Association
American Pediatric Society
America's Essential Hospitals
Association of Medical School Pediatric Department Chairs
Children's Hospital Association
Emergency Department Practice Management Association
Mednax National Medical Group
North American Society of Pediatric Gastroenterology, Hepatology and Nutrition
Pediatrix Medical Group
Society of Hospital Medicine
Society for Pediatric Research
Teamhealth, Inc.
Urgent Care Association of America