

# Medicaid cuts to physician payment

## Talking points

### **Cuts will impact Medicaid beneficiaries access to care**

Physicians in states with higher Medicaid payments are more likely to accept new Medicaid patients.<sup>1</sup>

The real victim of cuts to physician payments are Medicaid beneficiaries who will wait longer to be treated and have a limited choice of doctors.

These cuts will force more doctors to limit or even stop seeing new Medicaid patients, making it difficult for Medicaid beneficiaries to get an appointment with a new doctor or specialist.

Legislators must implement changes that protect access to high quality care – not cuts that will limit a Medicaid patient’s choice of doctors.

When physicians are at the front line of care, patients receive better care that is more cost effective and more efficient, resulting in more savings and happier, healthier patients.

Physicians are facing a host of new administrative burdens to participate in Medicaid. Topping these administrative burdens with inadequate payments further threatens physician participation in Medicaid.

### **Federal law recognizes the need for adequate Medicaid payments**

Federal law requires states to set provider payment rates at a sufficient level to ensure Medicaid beneficiaries have the same access to care as people with other types of health insurance.

Physician payments under Medicaid are woefully inadequate. A physician who treats a Medicaid patient can expect to be paid about 28 percent less than the physician would receive for providing the exact same services to a Medicare patient. For primary care services it is even lower – about 34 percent less than the physician would receive for treating a Medicare patient. (For state specific information on the Medicaid to Medicare fee index see Kaiser State Health Facts at [www.kff.org](http://www.kff.org))

### **Physicians provide billions of dollars in free care every year**

In 2008, physicians provided \$48.9 billion in free care split between charity care and bad debt. This is on top of any losses due to low Medicaid payments.<sup>2</sup>

Physicians provide billions of dollars in free care every year without any subsidies.

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<sup>1</sup>Sandra L. Decker, *In 2011 Nearly One-Third of Physicians Said They Would Not Accept New Medicaid Patients, But Rising Fees May Help*, 31 HEALTH AFFAIRS, 1673.(2012).

<sup>2</sup> Carol Kane, *Medical Care for the Uninsured: Who Pays for It and How Will Spending Change Under Universal Coverage?* AMERICAN MEDICAL ASSOCIATION. (October 2008) <http://www.ama-assn.org/ama1/pub/upload/mm/363/prp200803.pdf>.