

Physician Reimbursement and Participation in Medicaid

Peter Cunningham, Ph.D.

■ Senior Fellow

Center for Studying Health System Change

■ Presented to the Medicaid and CHIP
Payment and Access Commission,
September 23, 2010, Washington, D.C.

Medicaid Reimbursement -- The Issue

- States have much flexibility in setting rates
 - All states use fixed fee schedules
 - Methods for setting rates vary widely

- Historically, low fees have contributed to low physician participation in Medicaid
 - Medicaid fees are primary lever that states have used to increase access to physicians
 - But fees are often among the first to be targeted for budget cuts

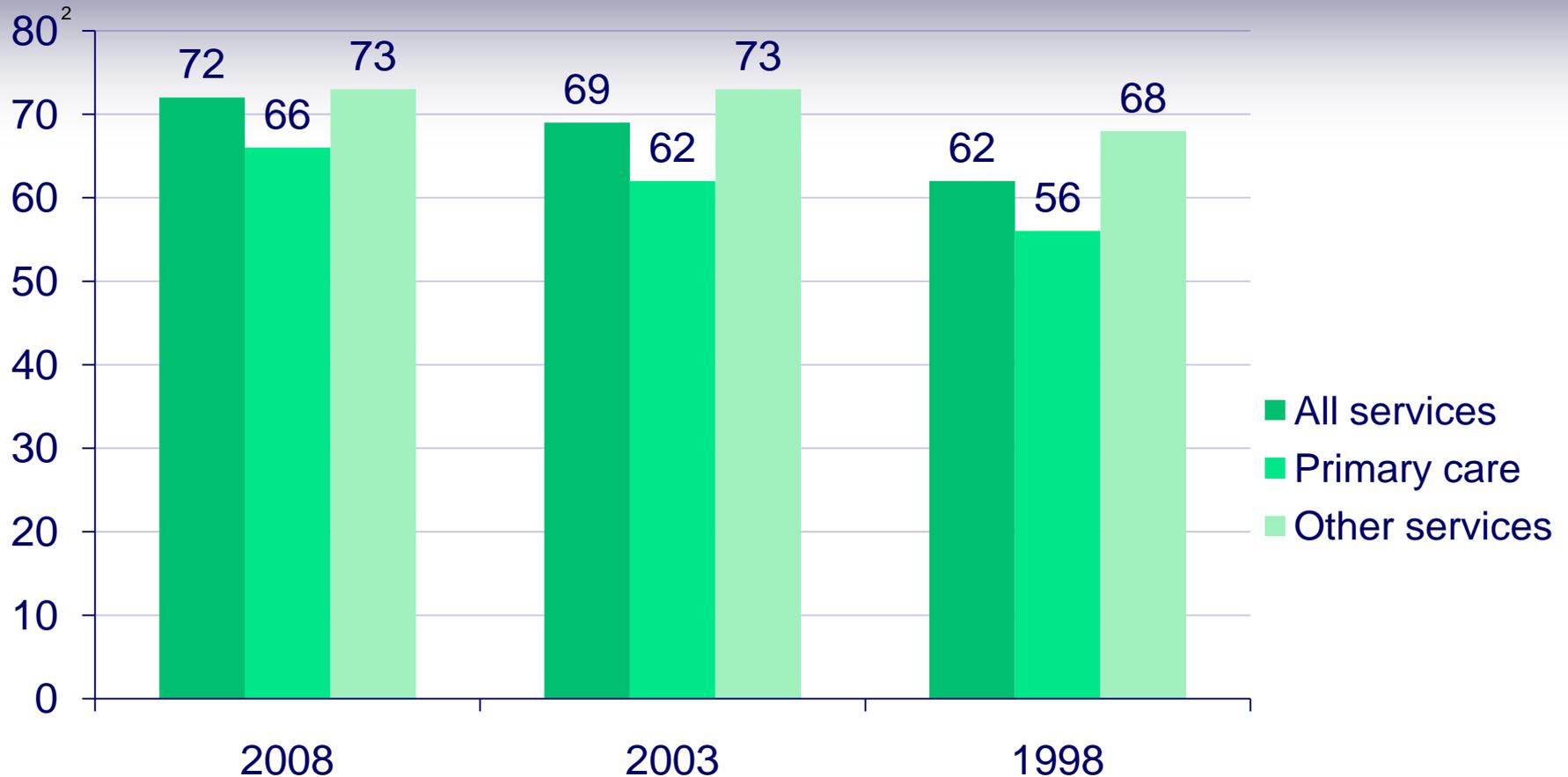


Physician Fee Levels for Selected Services, 2008

	Medicaid FFS	Medicare FFS
15 min. office visit, established patient	\$38	\$60
Emergency department visit	\$44	\$59
45 min. hospital visit, new patient	\$39	\$63

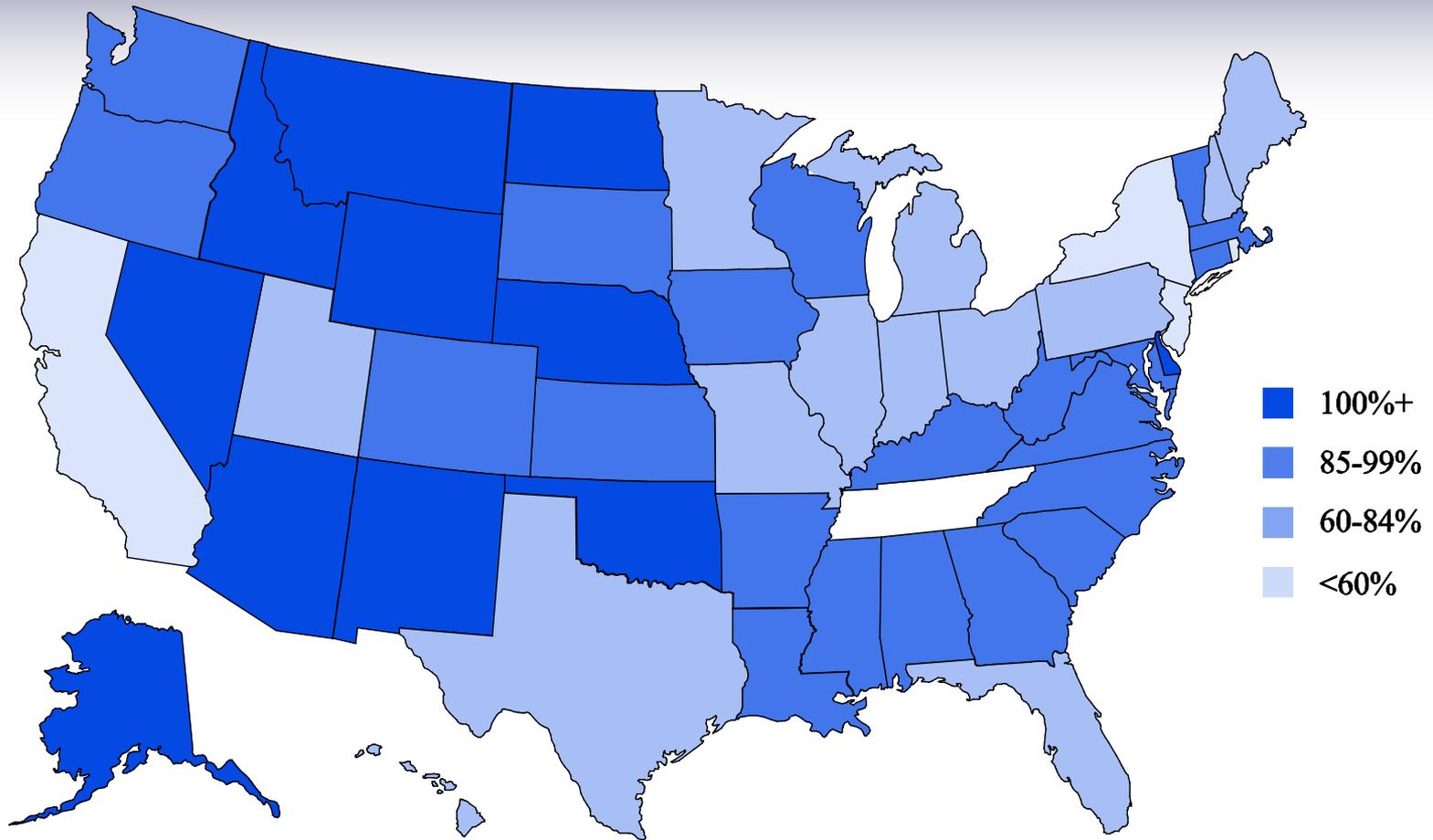
Source: S. Zuckerman et al., "Trends in Medicaid Physician Fees, 2003-2008," Health Affairs (28 April, 2009); CMS, Medicare Physician Fee Schedule.

Medicaid Fees as a Percentage of Medicare: U.S. Average

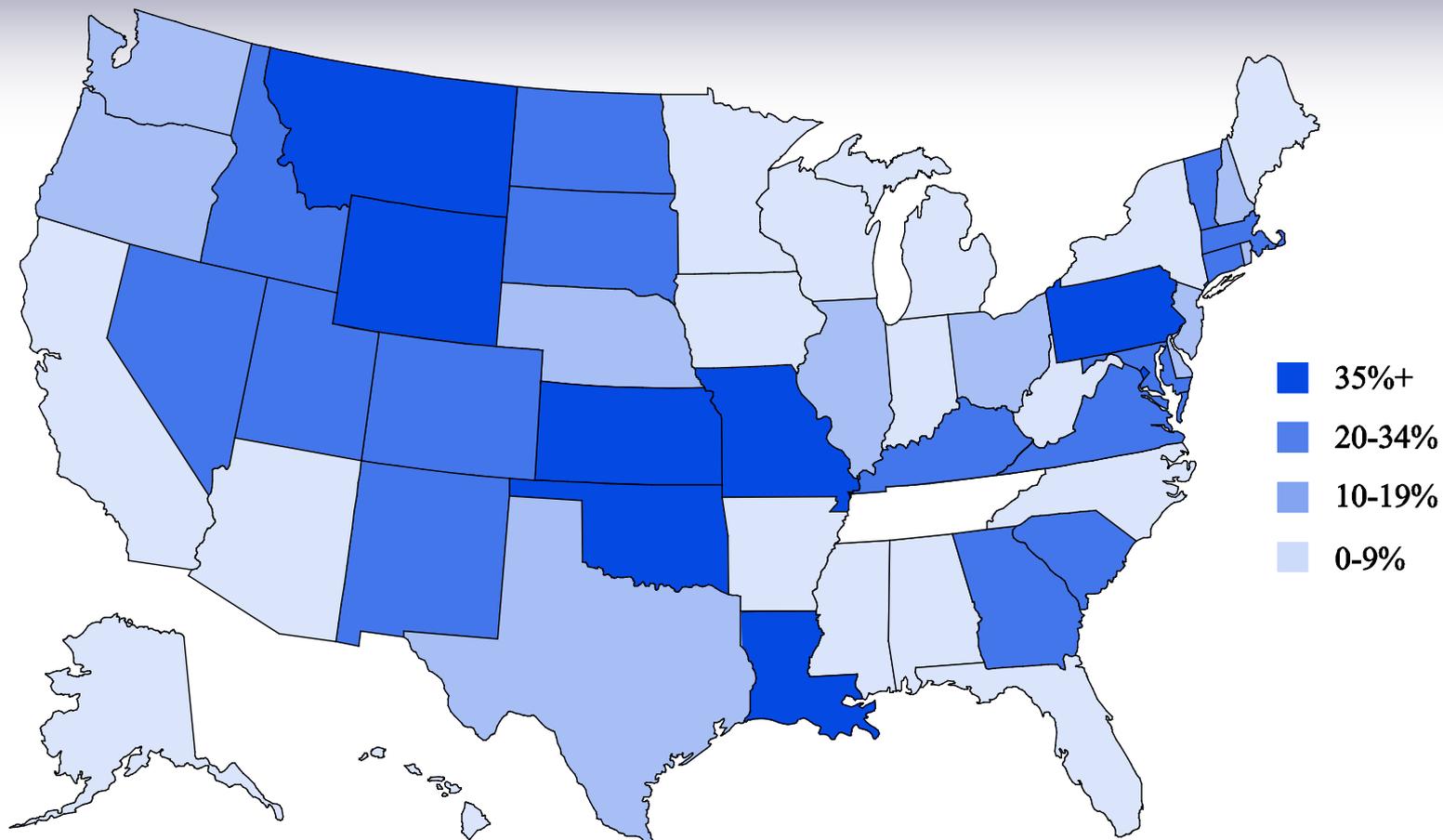


Source: S. Zuckerman et al., "Trends in Medicaid Physician Fees, 2003-2008," Health Affairs (28 April, 2009); S. Zuckerman et al., "Changes in Medicaid Physician Fees, 1998-2003, Implications for Physician Participation," Health Affairs (23 June, 2004).

Medicaid Fees as a Percentage of Medicare, 2008



Percent Change in Medicaid Fees, 2003-2008



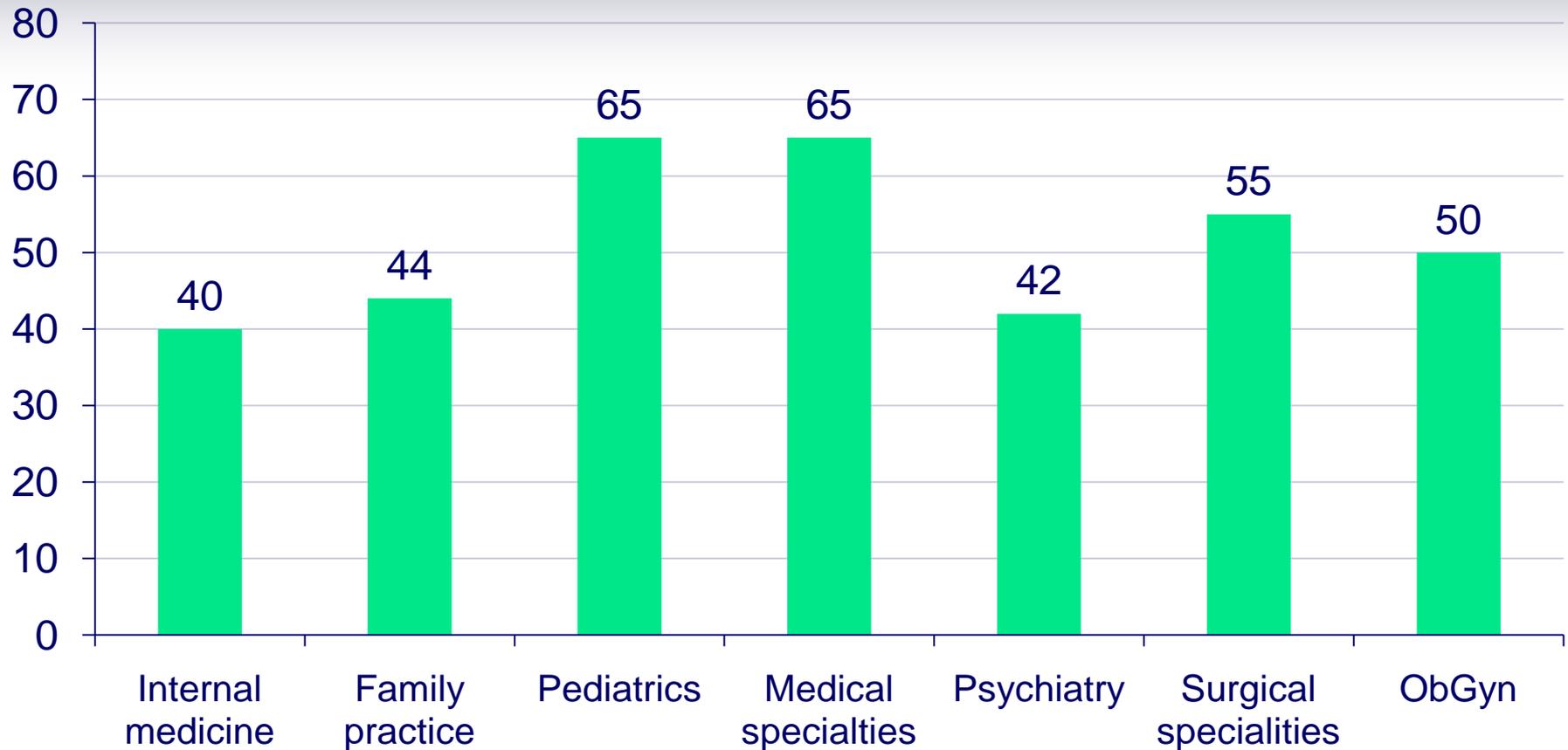
Physicians Less Likely to Accept New Medicaid Patients

	% of physicians accepting all or most new patients	% of physicians accepting no new patients
Medicaid	53	28
Privately insured	87	4
Medicare	74	14

Note: % of physicians accepting “some” new patients is excluded from table.

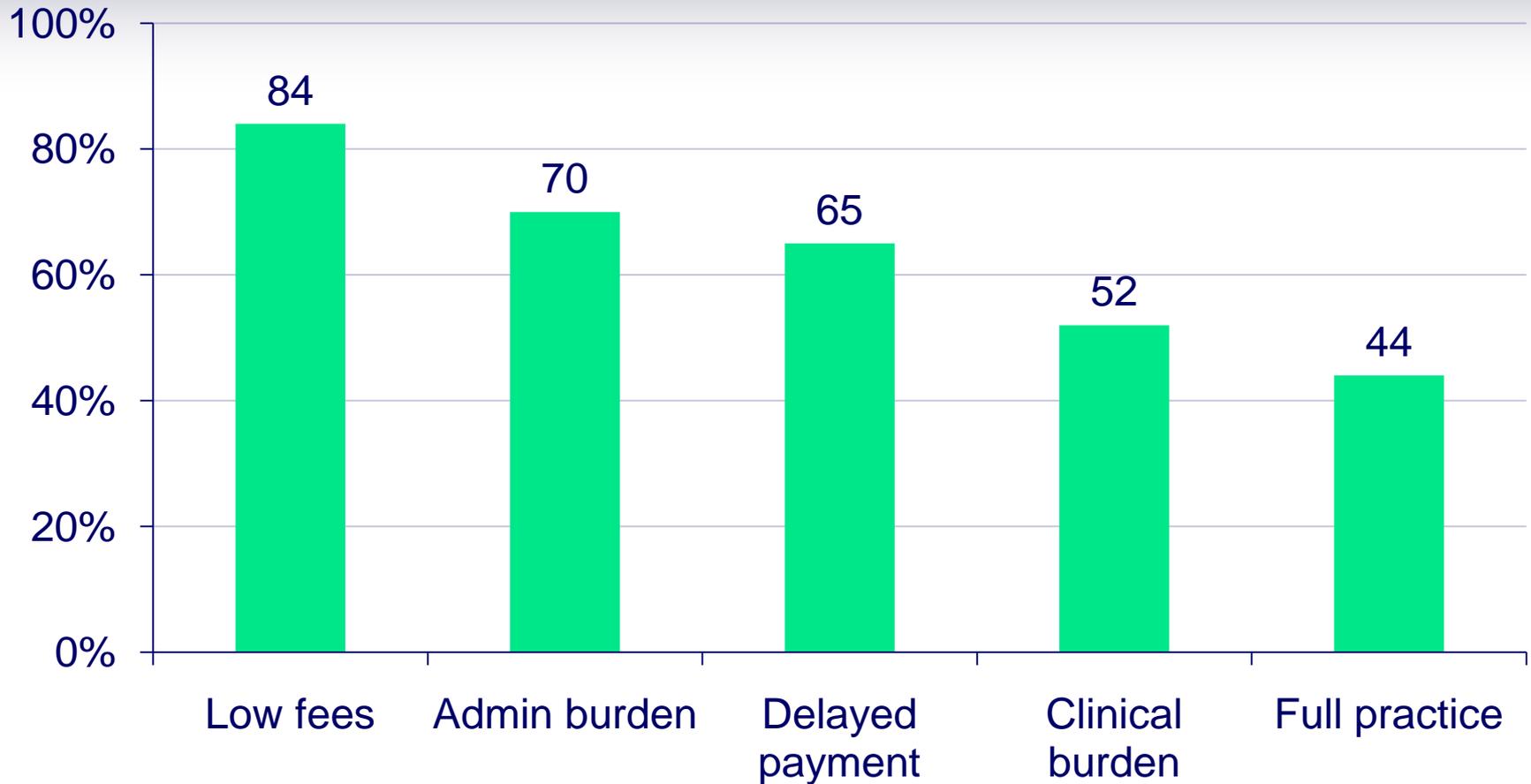
Source: Boukus et al., “A Snapshot of U.S. Physicians: Key Findings From the 2008 Health Tracking Household Survey,” Center for Studying Health System Change (September, 2009)

Acceptance of New Medicaid Patients Varies by Specialty, 2008



Source: Boukus et al., "A Snapshot of U.S. Physicians: Key Findings From the 2008 Health Tracking Household Survey," Center for Studying Health System Change (September, 2009)

Reasons for Not Accepting Medicaid Patients



Source: 2008 Health Tracking Physician Survey

Other Factors Besides Payment That Affect Physician Participation

- Other factors associated with higher physician participation
 - Younger physicians
 - Larger practices (vs. solo or small group practice)
 - Employed physicians (vs. owners)
 - IMG (vs. U.S. trained physicians)
 - Rural areas (vs. large metro areas)

- Effects of state variation in Medicaid fees on enrollee access and utilization are weak, at best

- Low overall supply of physicians may be more of a problem than low fees in some areas