

## **Providers building case for extending Medicaid payment hike**

By Jason Millman  
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An Affordable Care Act program that provides two years of higher Medicaid rates to primary care doctors is scheduled to start in a couple of months — and health care groups in Washington are already trying to build a case for making the rates permanent.

In 2013 and 2014, the health care law boosts traditionally low Medicaid payment rates for primary care doctors to Medicare reimbursement levels. The program is meant to encourage doctors to participate in the Medicaid program — where low reimbursement rates threaten provider participation — ahead of the ACA’s major expansion of Medicaid in 2014.

At that time, millions more will be added to the Medicaid rolls, and groups are already warning of disastrous effects if the increased payments shut off after 2014 as scheduled.

“Unless Congress acts to permanently extend and fund this provision, a sudden return to disparate and inadequate payment for primary care services needed by Medicaid patients after only two years will again threaten to restrict their access to such needed services,” American Academy of Family Physicians President Jeffrey Cain said in a statement shortly after the Obama administration finalized the payment rule Thursday.

Assuming the ACA survives the election, the challenge would be coming up with money to extend a program that’s already projected to cost \$13 billion over two years when the focus in Washington has been on cuts.

Groups supporting the higher payment rates are planning to gather data on the early implementation of the boosted rates to make a case for extending them.

“I think what we want to do, is at least in the first year of implementation, go to Congress and say, ‘This is what you purchased in this improvement in payment rates,’” said a spokesman for the American Academy of Pediatrics.

The AAFP’s Cain, who called the Medicaid rule “real important” for improving access to health care, said his organization is already making the case on the Hill for extending the Medicaid rates. And as Congress looks for health care savings next year, Cain poses the payment boost as a preventive health measure that will ultimately save money.

“Expanding Medicaid rates allows people to have a primary care physician and get prevention and primary care,” Cain said in an interview. “A healthier person is a cheaper person to take care of.”

Provider groups hoping for an extension of the program notched a small victory in last week's final rule when CMS added a requirement for states to report back on the effects of greater physician participation in Medicaid. CMS also hinted that the next Congress may want to give this program a second look.

"That data will assist Congress in determining ... whether or not to extend the provisions of this rule beyond" 2014, CMS said.

The data may also encourage states to continue higher Medicaid reimbursement rates on their own, even if Congress lets the program expire, the American Health Care Association theorized in formal comments earlier this year.

"The more evidence that can be obtained that this provision provides increased physician participation, improved care to beneficiaries and lower cost to the states, the more likely the states will cover this enhanced payment following the termination of this provision," AHCA wrote. "We believe physicians would be more willing to participate if efforts were being made to increase the likelihood of these enhanced payments following 2014."

Still, there are a number of larger issues for Medicaid that have provider groups' attention right now, said Licy Do Canto, a health care lobbyist. Particularly, groups are on guard for how the program will factor into deficit-reduction plans.

"There are bigger issues," Do Canto said. "What's going to happen after today, whether those rates will be in place. Whether this program looks the same or not, whether [the] lame duck will have issues in it that seek to use Medicaid as potential offsets."

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