

Will Higher Medicaid Rates Yield More Doctor Participation? Feds Think So

*By Lynn Hatter
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Right now, Florida pays about 56 cents on the dollar to doctors who treat Medicaid patients and many physicians don't participate in the program because of those low rates. For many doctors, it costs more to treat Medicaid patients than what they get back. And that's led many doctors in the state, to either cap the number of Medicaid patients they treat, or not treat them at all.

"Most physicians I've spoken to would be quite willing to increase the percentage of Medicaid they see if they didn't lose so much money," said Dr. Louis St. Petery, Executive Director of the Florida Chapter of the American Academy of Pediatrics.

He says the reluctance of doctors to treat Medicaid patients is problematic, because, of the more than three million Floridians in the program, 800,000 are children. That's roughly a third of Florida's kids.

"The normal pediatric practice would have about a third of their patients as Medicaid. Whereas, because of the low because of the low Medicaid rates, most practices have to limit their number of Medicaid patients to 5-10 percent of their total practice. Ootherwise they can't afford to stay in business-to give away that much money for a third of their patient load."

Part of the federal healthcare law ups the amount of money primary care doctors receive for treating Medicaid patients. Some 13,000 Florida primary care doctors are actively participating in the program. And there are three-million Floridians on Medicaid. That works out to 230 patients per doctor.

Earlier in the month extra federal money almost doubled what Medicaid had been paying to Florida doctors. The new rates bring reimbursements up to Medicare levels. Petery says the increase will allow Florida primary care doctors to almost break even. But not everyone believes that increasing the rates will be enough to get more of those physicians to treat Medicaid patients.

"I think that's unrealistic," said Dr. Marshall Kapp, a professor at the Florida State University College of Medicine. "That's suggesting Medicaid rates are attractive to providers (laughs) which isn't necessarily true."

Medicare, which covers seniors, usually pays more, but it too still falls short of what doctors receive through private insurance plans. Kapp says as parts of the federal healthcare law continue to go into effect, it will increase the number of people with health insurance. At the same time, the number of physicians isn't growing as fast. And he's concerned that could lead to a bottleneck at the doctor's office:

“If we had, indeed, a number of new people who have access that don’t have access now, there will be a lot of strain on the existing market. It may be that I have to wait longer to get an appointment with my doctor, because there are a bunch of new people who want to see her.”

Medicaid is jointly-funded by the state and federal government, and the extra money needed to raise the reimbursement rates is coming from the feds. But there’s another catch. In two years, the federal money for the reimbursement rate hike goes away:

“We, at this time, are to be paying this enhanced rate until Dec. 31st, 2014. What it looks like after that, I don’t have a crystal ball for that. I’m so sorry.”

Michelle Dahnke is the spokeswoman for the Agency for Healthcare Administration, which oversees Florida’s Medicaid program. When the money goes away, it would be left to Congress to decide whether to renew it. States could also voluntarily raise their rates, but given Florida’s desire to *reduce* costs, that may be unlikely.

Doctors could also be discouraged from taking in more patients if they don’t see the higher rates immediately. The Agency sent out letters to doctors saying some payments under the new rate structure may have to be made retroactively. Dahnke says the state and federal government are still trying to get on the same page.

“It’ll take us a short period of time to make sure our systems are in place our mechanisms. But like I said, we’ll be paying for everything, we’ll be paying for services rendered after January first,” she said.

Dahnke says the new payment rates should start flowing soon. But it will be a while before anyone is able to tell if the extra funding has been enough to sway primary care doctors into seeing more Medicaid patients.