

December 12, 2012

Dear Senator/Congressperson:

As organizations dedicated to the health of children, we respectfully urge you to protect access to health services for children by preserving current law's payment increase for primary care services financed by Medicaid. While our nation should be proud of the significant progress we have made in enrolling eligible children in Medicaid, guaranteeing that children have access to primary and specialty care has been much harder.¹

Section 1202 of the Health Care Education and Reconciliation Act requires state Medicaid agencies to reimburse specified participating physicians at Medicare rates for primary care services for two years. Regulations require that the increased payment include qualified primary care services furnished "under the personal supervision" of a physician, including those provided by nonphysician providers such as nurse practitioners and physician assistants. The policy is set to take effect in a matter of weeks on January 1, 2013.

The primary care payment increase is a critical step toward enhancing access to health care for the nation's children covered by Medicaid. Currently, on average, Medicaid reimburses pediatricians 30 percent below Medicare rates for comparable services. While a number of factors have been found to deter or discourage provider participation in Medicaid, low payment consistently has been found to be the top participation barrier. In a recent survey, 74% of respondents rated "low provider payment" "very important" as a participation barrier.²

Low payment rates have built significant barriers to provider participation in the Medicaid program and create concerns about the ability of children to access the medically necessary health care services they are entitled to under the program. Section 1202 applies to general pediatricians and pediatric subspecialists as physicians eligible for the payment increase. These physicians and nonphysician providers who work with them play a vital role in the provision of primary care services for children with the most complex health challenges. Their inclusion in the payment increase is essential to ensuring the greatest possible impact on improving access to care for children.

We urge Congress to oppose any proposals that would eliminate the Medicaid primary care payment increase. Elimination of this policy would negatively impact access to care for children and further burden the Medicaid system. If we may provide further information or otherwise be of assistance, please contact Robert Hall at 202/347-8600 or RHall@aap.org.

Sincerely,

American Academy of Family Physicians
American Academy of Ophthalmology
American Academy of Pediatrics
American College of Cardiology
Association of Maternal & Child Health Programs
Children's Hospital Association

¹ "Although Medicaid and CHIP enrollment reached 54% of the total U.S. infant and child population in 2010 (up from 32% in 2000 according to CMS data), pediatricians' combined Medicaid and CHIP caseload increased merely 3 percentage points to an average of 36% over the last decade, according to the AAP survey and a similar study conducted in 2000." See AAP News Vol. 33 No. 7 July 1, 2012, pp. 21 (doi: 10.1542/aapnews.2012337-21).

² Ibid.

Children's Advocacy Institute
Children's Defense Fund
Community Catalyst, New England Alliance for Children's Health
Cystic Fibrosis Foundation
Doctor's for America
Families USA
Family Voices
Foster Family-based Treatment Association
Healthy Teen Network
Medicaid Health Plans of America
National Alliance of Children's Trust and Prevention Funds
National Association of Social Workers
National Coalition on Health Care
National Partnership for Women & Families
Nemours
North American Council on Adoptable Children
The Alliance for Children and Families
The National Alliance to Advance Adolescent Health
The Society for Social Work Leadership in Healthcare
ZERO TO THREE