

June 10, 2021

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Chuck Schumer  
Majority Leader  
U.S. Senate  
Washington, D.C. 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, D.C. 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader Schumer and Minority Leader McConnell:

Our organizations, who together represent more than 500,000 physicians, call on Congress to prioritize primary and pediatric care as part of your legislative efforts to invest in American families and expand access to health care. **Specifically, we urge you to raise Medicaid payment rates for primary care and pediatric services to at least Medicare levels.**

The physicians we represent provide the majority of primary and pediatric care to American families and have been working tirelessly to ensure that their care needs are met during the COVID-19 pandemic and beyond. The Medicaid program plays a critical role, providing health insurance to one in five Americans and covering some of our most vulnerable populations, including low-income children, pregnant individuals, children with special health care needs, non-elderly adults with disabilities and other adults and families who are uniquely susceptible to COVID-19 and a host of other adverse health outcomes.

Medicaid enrollment has increased by more than 8% over the past year as a result of pandemic-related job and income loss, making the demand for primary care and pediatric clinicians in the Medicaid program more acute than ever.<sup>1</sup> At the same time, physician practices have faced financial challenges due to decreased visit volume and increased expenses such as personal protective equipment, technology to provide telehealth, and infrastructure to administer COVID-19 tests and vaccines.<sup>2</sup> Physician practices that accept large numbers of Medicaid patients face further challenges. The low payment rate for Medicaid services, compared with that of Medicare or private payers, is exacerbating their financial instability.

Inadequate Medicaid payment threatens access to primary and pediatric care for the populations hit hardest by COVID-19. Physician practices already operating on thin or negative margins are still working to make up revenue losses, and many simply cannot afford to accept additional Medicaid patients. Our organizations have endorsed the *Kids Access to Primary Care Act* ([H.R. 1025](#)) as one legislative solution for raising Medicaid payment rates for primary and pediatric care to ensure physicians have adequate resources to care for these often complex patients.

On average, a clinician treating a Medicaid enrollee is paid about two-thirds of what Medicare pays for the same service and, in some states, as little as one-third. Low Medicaid physician payment rates have historically been a barrier to health care access for enrollees.<sup>3</sup> **Physicians**

**cite low reimbursement as the primary reason they are unable to accept additional Medicaid patients.**<sup>4</sup> Patients covered by Medicaid experience longer office wait times, and both low-income patients and their physicians report that low reimbursement rates lead to shorter, inadequate visit times.<sup>5</sup>

**Evidence indicates that Medicaid patients' access to care improved when the ACA raised Medicaid primary care payment rates to Medicare levels in 2013-2014.** One study found that appointment availability increased during the primary care fee bump and decreased after it expired.<sup>6</sup> States that had larger payment increases also had greater improvements in appointment availability and child health outcomes.<sup>7</sup> Unfortunately, Congress failed to reauthorize the program, and the temporary nature of the ACA payment increase likely limited its impact on physician participation in Medicaid. The Medicaid and CHIP Payment and Access Commission (MACPAC) surveyed physicians about the primary care fee bump and found that it modestly increased willingness to take on new Medicaid patients, though physicians reported that early operational issues delaying the start of increased payments were a major challenge.<sup>8</sup> **Past findings suggest that enacting Medicaid payment parity for a longer period of time would meaningfully improve access to primary care for Medicaid enrollees.**

American families need coverage that ensures them access to affordable and comprehensive high-quality care. When Medicaid beneficiaries cannot find a clinician that accepts new Medicaid patients, they face the same access problems as those who have no insurance. They are more likely to have difficulty obtaining appointments and to forgo needed preventive and acute care for minor problems.<sup>9, 10</sup> They also are more likely to develop complications that require intensive and costly medical intervention, and to report poorer health status.<sup>11, 12</sup>

Our organizations are committed to advancing health equity. The physicians we represent are integral members of their communities and see firsthand how pervasive health inequities contribute to poor health outcomes, a problem exacerbated by COVID-19. They are uniquely positioned to help address health disparities by providing comprehensive clinical care to underserved populations and by linking patients to community resources to address social determinants of health.

Medicaid plays a particularly vital role in providing coverage to pregnant individuals, rural residents and individuals with disabilities, as well as Black, Indigenous, Hispanic and other people of color. More than 30% of Black, Indigenous and Hispanic adults and children have Medicaid coverage.<sup>13</sup> By improving coverage and the affordability of primary care, the ACA significantly reduced racial and ethnic disparities in care utilization and access. However, the odds of being in a physician shortage area are much higher for predominantly Black neighborhoods.<sup>14</sup> Sixty-one percent of Primary Medical Health Professional Shortage Areas (HPSAs) are also in rural areas, suggesting that these populations may be impacted most by changes in Medicaid physician participation.<sup>15</sup> **Increasing Medicaid rates for primary care services would help to mitigate health inequities.**

We thank you for your continued focus on expanding health coverage for all Americans and urge you to consider the importance of adequate physician reimbursement in ensuring access to care. We stand ready to work with you to pass legislation raising Medicaid rates to strengthen primary and pediatric care and preserve access to care for those who need it most. If you have any questions, please contact Erica Cischke, Senior Manager for Legislative and Regulatory Affairs at the American Academy of Family Physicians at [ecischke@aaafp.org](mailto:ecischke@aaafp.org).

Sincerely,

American Academy of Family Physicians  
American Academy of Pediatrics  
American College of Obstetricians and Gynecologists  
American College of Physicians  
American Osteopathic Association

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<sup>1</sup> “Medicaid Enrollment Continues to Rise.” *Center on Budget and Policy Priorities*, 9 Sept 2020, [www.cbpp.org/blog/medicaid-enrollment-continues-to-rise](https://www.cbpp.org/blog/medicaid-enrollment-continues-to-rise)

<sup>2</sup> Etz, R: “Quick COVID-19 Survey.” *The Larry A. Green Center*, <https://www.green-center.org/covid-survey>

<sup>3</sup> Cohen, JW. “Medicaid physician fees and use of physician and hospital services.” *Agency for Health Care Policy and Research, U.S. Department of Health and Human Services, Inquiry*. vol. 30, no. 3, 1993, pp. 281-92. PMID: 8406785. <https://pubmed.ncbi.nlm.nih.gov/8406785/>

<sup>4</sup> Decker, SL. “In 2011 nearly one-third of physicians said they would not accept new Medicaid patients, but rising fees may help.” *Health Aff (Millwood)*, vol. 31, no. 8, 2012, pp. 1673-9. doi: 10.1377/hlthaff.2012.0294. PMID: 22869644; PMCID: PMC6292513. <https://www.healthaffairs.org/doi/10.1377/hlthaff.2012.0294>

<sup>5</sup> Lewis, C, Zephyrin, L, Abrams, M, Seervai, S. “Listening to Low-Income Patients and Their Physicians: Solutions for Improving Access and Quality in Primary Care.” *Commonwealth Fund*, 15 May 2019.5 <https://www.commonwealthfund.org/blog/2019/listening-low-income-patients-and-their-physicians--improving-access-and-quality>

<sup>6</sup> Candon, M, Zuckerman, S, Wissoker, D. “Declining Medicaid Fees and Primary Care Appointment Availability for New Medicaid Patients.” *JAMA Intern Med.*, vol. 178, no. 1, 2018, pp.145-146. doi:10.1001/jamainternmed.2017.6302 <https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2663253>

<sup>7</sup> McKnight, R. “Increased Medicaid Reimbursement Rates Expand Access to Care.” *National Bureau of Economic Research*, no.3,2019. <https://www.nber.org/bh/increased-medicaid-reimbursement-rates-expand-access-care>

<sup>8</sup> Zuckerman, S, Skopec, L, Epstein, M. “Medicaid Physician Fees After the ACA Primary Care Fee Bump.” *Urban Institute Health Policy Center*, March 2017. [https://www.urban.org/sites/default/files/publication/88836/2001180-medicaid-physician-fees-after-the-aca-primary-care-fee-bump\\_0.pdf](https://www.urban.org/sites/default/files/publication/88836/2001180-medicaid-physician-fees-after-the-aca-primary-care-fee-bump_0.pdf)

<sup>9</sup> Key findings on access to care. (n.d.). MACPAC. Retrieved June 7, 2021, from <https://www.macpac.gov/subtopic/measuring-and-monitoring-access/>

<sup>10</sup> *Reports of Forgone Medical Care Among US Adults During the Initial Phase of the COVID-19 Pandemic | Health Disparities | JAMA Network Open | JAMA Network*. (Jan. 21, 2021). Retrieved June 7, 2021, from <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2775366>

<sup>11</sup> *High-Need, High-Cost Patients: Who Are They and How Do They Use Health Care? | Commonwealth Fund*. (2016, August 29). <https://www.commonwealthfund.org/publications/issue-briefs/2016/aug/high-need-high-cost-patients-who-are-they-and-how-do-they-use>

<sup>12</sup> Gallup. (2017, December 7). *Medicaid Population Reports Poorest Health*. Gallup.Com. <https://news.gallup.com/poll/223295/medicaid-population-reports-poorest-health.aspx>

<sup>13</sup> “Medicaid Coverage Rates for the Nonelderly by Race/Ethnicity.” *Kaiser Family Foundation*, 2019. <https://www.kff.org/medicaid/state-indicator/nonelderly-medicaid-rate-by-raceethnicity>

<sup>14</sup> Brown, E, Polsky, D, Barbu, C, Seymour, J, Grande, D. “Racial Disparities in Geographic Access to Primary Care in Philadelphia.” *Health Affairs*, Aug 2016. <https://www.healthaffairs.org/doi/10.1377/hlthaff.2015.1612>

<sup>15</sup> “First Quarter of Fiscal Year 2021 Designated HPSA Quarterly Summary.” *Health Resources and Services Administration Bureau of Health Workforce*, 31 Dec 2020. <https://data.hrsa.gov/Default/GenerateHPSAQuarterlyReport>