

March 23, 2021

The Honorable Frank Pallone, Jr.
Chair
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Cathy McMorris Rodgers
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Anna Eshoo
Chair, Subcommittee on Health
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Brett Guthrie
Ranking Member, Subcommittee on Health
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Dear Representatives Pallone, McMorris Rodgers, Eshoo and Guthrie:

On behalf of the undersigned organizations, who together represent more than 400,000 physicians, we wish to provide input as part of the Energy and Commerce Health Subcommittee's hearing "Building on the ACA: Legislation to Expand Health Coverage and Lower Costs." Our organizations are eager to work with the Committee on legislative solutions that build upon the successes of the Affordable Care Act and expand Americans' access to high-quality health care.

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 is a critical component of their response, providing health insurance to one in five Americans and covering some of our most vulnerable populations, including low-income children, pregnant women, 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.ⁱ 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.ⁱⁱ 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.

Which is why we call upon the Committee to swiftly pass the *Kids Access to Primary Care Act (H.R. 1025)* to raise Medicaid payment rates for primary care services to at least Medicare levels.

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.ⁱⁱⁱ **Physicians cite low reimbursement as the primary reason they are unable to accept additional Medicaid patients.**^{iv} 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.^v

Evidence indicates that Medicaid patients' access to care improved when the Affordable Care Act raised Medicaid primary care payment rates to Medicare levels in 2013-14. One study found that appointment availability increased during the primary care fee bump and decreased after it expired.^{vi} States that had larger payment increases also had greater improvements in appointment availability and child health outcomes.^{vii} Unfortunately, Congress failed to reauthorize the program, and the temporary nature of the ACA payment increase likely limited its impact on physicians' 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.^{viii} **Past findings suggest that enacting Medicaid payment parity for a longer period of time would meaningfully improve access to primary care for Medicaid enrollees.**

We commend Congress on passing the American Rescue Plan, which included the most significant coverage expansion since the Affordable Care Act. However, we caution that, without further legislation to rectify inadequate Medicaid payment, increased coverage will not translate into increased access to care. Vulnerable populations need coverage that ensures them access to affordable and comprehensive high-quality care. When Medicaid beneficiaries cannot find a clinician who accepts new Medicaid patients, they face the same access problems as those who have no insurance. They are less likely to have a usual source of care and more likely to forgo needed preventive and acute care for minor problems. They also are more likely to develop complications that require intensive and costly medical intervention, and to have poorer health status.

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 women, 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.^{ix} 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.^x 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.^{xi} **Increasing Medicaid rates would help to mitigate health inequities.**

We thank you for your continued focus on responding to and recovering from the COVID-19 pandemic and 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 the Kids Access to Primary Care Act, which will strengthen the nation's primary care infrastructure and preserve access to care for those who need it most.** If you have any questions, please contact Erica Cischke, Senior Manager of Legislative and Regulatory Affairs at the American Academy of Family Physicians, at ecischke@aafp.org.

Sincerely,

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

ⁱ "Medicaid Enrollment Continues to Rise." *Center on Budget and Policy Priorities*, 9 Sept 2020, www.cbpp.org/blog/medicaid-enrollment-continues-to-rise

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

ⁱⁱⁱ 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/>

^{iv} 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>

^v 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>

^{vi} 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>

^{vii} 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>

^{viii} 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

^{ix} "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>

^x 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>

^{xi} "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>