Texas Health and Human Services Commission  
Legislative Appropriations Request, 2016-17  
Comments on behalf of the Texas Medical Association  
June 23, 2014

The Texas Medical Association (TMA) representing more than 47,000 physicians and medical students is submitting comments on a two Texas Health and Human Services Commission (HHSC) exceptional items that may help — or hinder — patient access.

As you consider the HHSC 2016-17 appropriations request, we urge you to place priority on items that will help improve Medicaid patients’ access to services, including women’s health services. In particular, we ask your support for maintaining the Medicaid primary care physician payment increase and for the continued funding of the Texas Women’s Health Program.

Medicaid Primary Care Physician Payment Increase  
Our physician members tell us they strongly support Medicaid and very much want to take care of patients who are enrolled in the program. Yet inadequate payments, combined with rising practice costs, mean more and more physicians simply cannot afford to continue taking a loss for their services. On average, Medicaid and the Children’s Health Insurance Program (CHIP) pay 73 percent of Medicare and 50 percent of commercial insurance, making Medicaid and CHIP physicians’ worst payers.

In an attempt to encourage more physicians to join the Medicaid program, a provision in the Affordable Care Act (ACA) temporarily lifted Medicaid payments to Medicare parity for certain primary care physicians and services provided from Jan. 1, 2013, to Dec. 31, 2014. The increase is paid entirely with federal funds.

To receive the higher payments, physicians must self-attest that they practice in an eligible specialty and that either (1) they are board certified in family medicine, general internal medicine, pediatric medicine or as a subspecialist within those designations as recognized by the American Board of Medical Specialties, the American Osteopathic Association, or the American Board of Physician Specialties; or (2) 60 percent of their Medicaid billings for the prior year were for eligible evaluation and management services.

Without congressional or legislative action, the higher payments will expire at the end of 2014. The likely result will be further exodus of physicians from Medicaid because the program’s payments do not cover practice costs.

TMA has long advocated in favor of increasing Medicaid payments to at least Medicare parity as a way to attract more physicians to participate in the program. For the most common primary care services — office visits — the Medicare payment average is even lower than 73 percent of Medicare. For example, for a midlevel office visit for an established patient, Texas Medicaid will pay pediatricians $36.89; the same exam for an adult Medicaid patient will be paid at $33.27. Yet Medicare pays about twice as much — $69.61.
Without congressional action, the rate increase will cease at the end of this year. We urge the state to permanently extend the rate increase beyond Dec. 31, 2014. It is vitally important to increase the number of physicians participating in Medicaid so that access is not hindered and Texans can get the care that they need.

In addition to maintaining the primary care physician increase, we request an increase in Medicaid payments for the physician specialties not included in the ACA update, including obstetrics and gynecology. Obstetrician-gynecologists (OB-Gyns) have long been considered providers of primary care, and many serve large populations of Medicaid patients. The ACA did not include obstetrics and gynecology in its rate increases; therefore, we call on the state not only to extend the rate increase for the previously mentioned specialties but also to add OB-GYNs to the list of eligible specialists.

TMA strongly supports paying competitive payments to all other physician specialties. Physician practice costs increase an average of 3 percent annually, yet Medicaid payments have no mechanism to keep pace with inflation. Texas’ last meaningful payment increase occurred in 2007, but even that increase did not apply to all specialties.

We urge HHSC to pursue competitive payments for all physician specialties and codes.

Texas Women’s Health Program
After the severe cuts to women’s preventative care in 2011, repairing the women’s health safety net will take resources and time. While the investments made in the Texas Women’s Health Program in 2013 increased the number of women served, tens of thousands of low-income Texas women still lack access to care. The state must work to maintain or increase the funding for this valuable program to help rebuild the women’s health care safety net and ultimately save the state millions in Medicaid dollars.

The Texas Women’s Health Program not only is important to the women and families who depend upon its preventive health care and family planning services but also has serious fiscal implications for Texas taxpayers. Because 53 percent of births in Texas are paid for by Medicaid, providing preventive services to low-income women saves costs by helping women avoid unplanned pregnancy and avoiding the Medicaid costs for pregnancy, birth, and infant health care.

We also urge you to consider requesting funds to increase outreach to physicians and eligible patients. While physician and patient enrollment in the Texas Women’s Health Program increased after the 2013 legislature increased funding, there still exists a great demand for women’s health services. Continued targeted outreach to physicians and eligible patients will increase participation in the program and hopefully return services back to pre-2011 levels.