



Physicians Caring for Texans

# Create a Healthy Environment for Low-Income Texans

Texas physicians want to ensure all Texans have access to coverage and, more important, have access to a physician when they need care. According to the Institute of Medicine, even when uninsured patients have access to safety-net services, the lack of health insurance often results in delayed diagnosis and treatment of chronic diseases or injuries, needless suffering, and even death.

Texas Medicaid provides important health care coverage. Without it, nearly 4 million poor and low-income Texans would lack health insurance, jeopardizing their health and well-being. Physicians want to take care of these patients, and they do so throughout the state.

Unfortunately, red tape and bureaucratic hassles coupled with low pay are forcing many physicians to limit the number of new Medicaid patients they take — or to not take any at all. For more than a decade, physician participation rates have been in a free fall, plummeting 33 points in 14 years. In 2000, 67 percent of Texas physicians reported accepting all new Medicaid patients; by 2012, only 34 percent did.

## Improve Medicaid physicians' payments

Recognizing the inadequacy of Medicaid payments and the need to pay better to expand access to care, the Affordable Care Act increased Medicaid payments to Medicare parity for eligible primary care physicians. The pay incentive ran for two years, Jan. 1, 2013, to Dec. 31, 2014. The federal government provided 100 percent of the funding. Children's Health Insurance Program (CHIP) services were excluded from the rate increase as were subspecialists. According to TMA's 2014 physician survey, for the first time since the *Frew* lawsuit, physicians' participation in Medicaid did not fall.

The payment incentive now has expired. TMA is asking lawmakers to invest the necessary resources to improve appropriate and timely access to medical services for Medicaid patients not only by maintaining higher payments for primary care physicians, but also by ensuring competitive physician payment rates for subspecialists and CHIP.

## Repeal the dual-eligible payment cut

During the 82nd Texas Legislature, lawmakers made several funding cuts without knowing their complete impact, creating a medical emergency for thousands of dual-eligible Texans and the physicians who care for them. "Dual-eligible" patients are low-income seniors and

## An Ounce of Prevention Is Worth a Pound of Cure

The physicians of this great state are committed to improving the health of all Texans. To get there, we must ensure Medicaid funding goes to patient care. It's far less expensive and more efficient to ensure every uninsured and underinsured patient has access to a physician. To get there we must:

- Improve physicians' Medicaid payments,
- Restore funding for dual-eligible patients,
- Cut the red tape and administrative hassles,
- Hold Medicaid HMOs accountable,
- Eliminate duplicate Medicaid audits and investigations that waste taxpayers' money, and
- Find a creative solution to pull down federal dollars to ensure working poor adults have access to health care.

people with disabilities who qualify for both Medicare and Medicaid. Texas has about 465,000 dual-eligible patients, who are among the sickest and most vulnerable people in our state.

When physicians treat dual-eligible patients, Medicare pays the physician 80 percent of the amount owed. Previously, Medicaid paid the remaining 20-percent coinsurance for the patient. Medicare also requires patients to pay an annual deductible — \$147 in 2014 — which Medicaid used to pay because the patients are so poor. Beginning Jan. 1, 2012, Texas Medicaid quit covering the Medicare deductible. It also decided to pay physicians and providers no more than the amount Medicaid pays for the same service, which, in most instances, eliminated payment of the patient's coinsurance. The Texas Legislature in 2012 subsequently reinstated full payment of the annual deductible for dual-eligible patients. Yet the patients' physicians still face a cut of 20 percent for the coinsurance amount.

## Cut red tape and administrative hassles

For physicians, learning and complying with the *Texas Medicaid Provider Procedures Manual*, which exceeds 1,800 pages, plus each Medicaid HMO's rules, the Texas Administrative Code, state law, and federal statutes and

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regulations require a significant amount of time and staff resources. On top of the sheer volume of compliance obligations, physicians also must stay up to date with frequent changes and revisions. If physicians fail to comply strictly with all of Medicaid's requirements, they face stiff fines, penalties, sanctions, or other enforcement actions. This creates an impossible situation for physicians who want to care for Medicaid patients.

Many physicians who want to participate in Medicaid have found just signing up for the program daunting. Physicians frequently spend months navigating the state's application process. Once Medicaid approves the application, physicians then must wait even longer to be credentialed by each Medicaid HMO they agree to contract with, even though the information each plan needs to complete the credentialing process is nearly identical to the information the physician supplied in the original Medicaid application. All these time-consuming administrative issues serve as barriers for physicians who want to take care of Medicaid patients.

## Improve Medicaid HMO physician networks

Perhaps the worst hassle of all is contending with inadequate Medicaid HMO physician networks. Contractually, state and federal governments require each plan to have an adequate number of primary care and subspecialty physicians to provide timely care for the patients in their networks. But in practice, this is not always the case. Patients and physicians frequently complain that physicians and providers listed in HMO directories as accepting new Medicaid patients either are not accepting them at all or have excessive wait times for new patient appointments.

Primary care physicians say it is not uncommon to spend hours on the phone trying to find specialty care for a Medicaid patient. Too often, they resort to referring their patients to costly emergency departments to ensure their patients get the care they need because no specialty care is readily available.

Significant expansion of these networks will not happen until the government eliminates bureaucratic hassles, increases payment rates, and holds the Medicaid HMOs accountable.

## Stop unfair and unreasonable fraud and abuse audits

Physicians participating in Medicaid face audits and/or investigations from an array of state agencies or agency contractors. TMA strongly supports the Sunset Advisory Commission's recommendations that would change the definition of fraud by clarifying it does not include every unintentional technical, clerical, or administrative error and would streamline the current process. Physicians are committed to eliminating fraud and abuse in Texas Medicaid. However, duplication and overlap of investigations waste taxpayer money and valuable state resources.

## Improve access to care for low-income adults

TMA supports allowing state leaders to work with the Centers for Medicare & Medicaid Services to develop a comprehensive solution that fits Texas' unique health care needs. Several states have taken this step with some success, including Indiana, Arkansas, Iowa, Michigan, and Pennsylvania. TMA believes the Texas Legislature, too, can create an ingenious solution that works for the state and helps low-income Texans get affordable and timely care. Any Texas-style solution expanding access must:

- Draw down all available federal dollars to expand access to health care for poor Texans;
- Give Texas the flexibility to change the plan as our needs and circumstances change;
- Clear away Medicaid's financial, administrative, and regulatory hurdles that are driving up costs and driving Texas physicians away from the program;
- Relieve local Texas taxpayers and Texans with insurance from the unfair and unnecessary burden of paying the entire cost of caring for their uninsured neighbors;
- Provide Medicaid payments directly to physicians at least equal to those of Medicare payments; and
- Continue to improve due process of law for physicians and other providers in Texas as it relates to the Office of Inspector General.



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