



Medicaid Payment Increase

OVERVIEW

The Patient Protection and Affordable Care Act (ACA) included a critical provision to increase Medicaid payment for primary care services to Medicare levels in calendar years 2013-2014. This provision, championed by the AAP, raised Medicaid payment for evaluation and management (E/M) and immunization administration services provided by primary care physicians with specialty designations of pediatric medicine, family medicine, and/or general internal medicine during those 2 years. Subspecialists boarded under 1 of the aforementioned specialty member boards—as well as other subspecialists practicing primary care who could support this with a claims history—were also eligible for the Medicaid payment increase.

The increase applied to fee-for-service care as well as care provided in Medicaid managed care organization (MCO) structures. Physicians were required to self-attest eligibility for the payment increase to their state Medicaid programs in order to receive it, and while retroactive payment at increased levels was available to January 1, 2013, some states implemented self-attestation deadlines to receive these payments.

The ACA Medicaid payment increase ended December 31, 2014, without renewal by Congress. However, a number of states have acted to extend the increase with state funds.

AAP POSITION

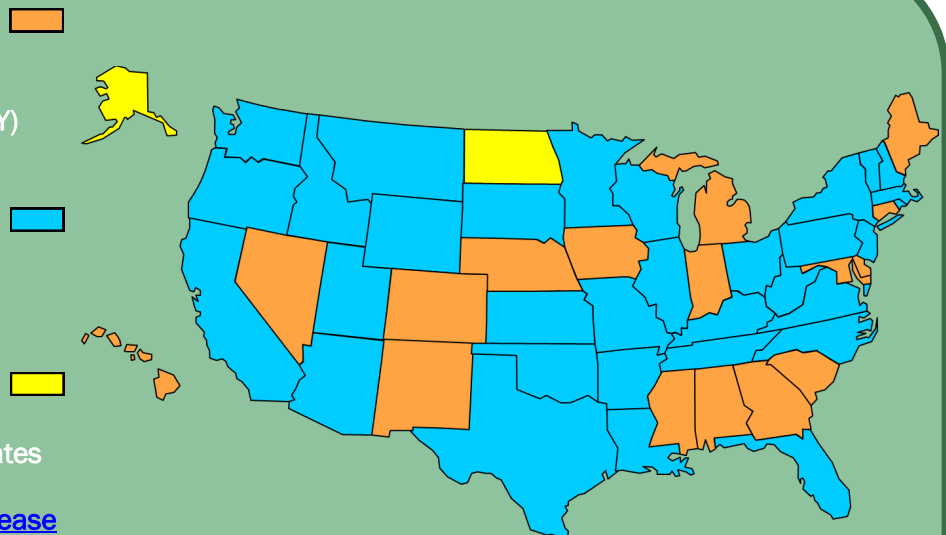
- Medicaid payment is set by each state and has historically been low.
- Low Medicaid payment negatively impacts the ability of pediatricians to participate in the program and impedes access to care for enrollees.
- The final rule implementing the Medicaid “equal access” provision was released in November 2015. While it requires states to examine access to care in the Medicaid fee-for-service context, it does not require Medicaid payment rates to be raised to a specific benchmark rate.
- The AAP supports efforts at the state and federal levels to raise Medicaid payment rates for all physician services to those that are at least equivalent with Medicare rates.
- In October 2015, the federal CHIP match rate increased by 23 percentage points. Chapters were encouraged to advocate for utilization of freed up state dollars to increase Medicaid rates.

FACTS

- The Medicaid payment increase applied to E/M codes 99201 through 99499 as well as vaccine administration codes 90460, 90461, 90472, 90473, and 90474, or their successor codes. These include codes not recognized for payment by Medicare but assigned Relative Value Units (RVUs).
- Rates paid under the ACA Medicaid payment increase were set using current year RVUs and the current year Medicare conversion factor (CF) or the 2009 Medicare conversion factor (CF), whichever results in higher payment. The 2009 CF was used for calendar year 2013.

PROGRESS

- 16 states—
using state dollars
to extend the increase
in State Fiscal Year (SFY)
2017*
- 32 states—
not using state dollars
to extend the increase
in SFY 2017
- 2 states—
Medicaid rates at or
higher than Medicare rates



[AAP Medicaid Payment Increase Resources](http://www.aap.org/)—www.aap.org/

**Implementation will vary by state. For example Michigan Medicaid rates will be increased to 78% of Medicare.*

MORE

- [AAP StateHealth—State Extension of the Medicaid Payment Increase](http://www.aap.org/en-us/my-aap/advocacy/state-government-affairs/Documents/STATEHEALTH_2_4_15.pdf)—www.aap.org/en-us/my-aap/advocacy/state-government-affairs/Documents/STATEHEALTH_2_4_15.pdf
- [AAP StateHealth-Increased Federal CHIP Funding Frees Up State Dollars](http://www.aap.org/en-us/my-aap/advocacy/state-government-affairs/Documents/STATEHEALTH_5_29_15.pdf)— www.aap.org/en-us/my-aap/advocacy/state-government-affairs/Documents/STATEHEALTH_5_29_15.pdf
- [CMS—Provider Payments](http://www.medicaid.gov/AffordableCareAct/Provisions/Provider-Payments.html)—www.medicaid.gov/AffordableCareAct/Provisions/Provider-Payments.html
- [AAP 2015 Medicaid Reimbursement Survey](https://www.aap.org/en-us/professional-resources/Research/research-resources/Pages/2015-Medicaid-Reimbursement-Reports.aspx)—<https://www.aap.org/en-us/professional-resources/Research/research-resources/Pages/2015-Medicaid-Reimbursement-Reports.aspx>