



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

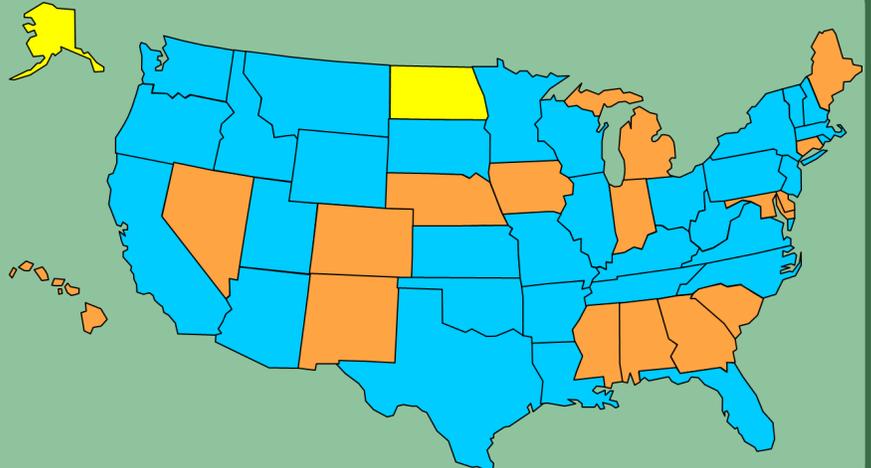
- Medicaid payment is set by each state and has historically been low. The AAP supports efforts at the state and federal levels to raise Medicaid payment rates for all physician services to those that are at least equivalent with Medicare rates.
- Low Medicaid payment negatively impacts the ability of 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.
- In October 2015, the federal CHIP match rate increased by 23 percentage points. Chapters were encouraged to advocate that freed up state dollars be used to increase Medicaid rates.

FACTS

- The ACA 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.
- New literature demonstrates that the ACA Medicaid payment increase had a positive impact on access to care, with office based primary care pediatricians increasing their participation in the Medicaid program during these years (*Pediatrics*, January 2018).

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/MedicaidPaymentIncrease)—www.aap.org/MedicaidPaymentIncrease

*Implementation varies by state. For example Michigan Medicaid rates have been increased to 78% of Medicare rates.

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/affordable-care-act/provider-payments/index.html)—www.medicaid.gov/affordable-care-act/provider-payments/index.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>
- [Increased Medicaid Payment and Participation by Office-Based Primary Care Pediatricians](http://pediatrics.aappublications.org/content/141/1/e20172570)—<http://pediatrics.aappublications.org/content/141/1/e20172570>