

Health Care: Medicaid and CHIP Physician and Provider Rates

Position Statement approved by One Voice: August 11, 2006

Issue/Concern: The number of Texas children covered by Medicaid and CHIP will increase as the child population increases, requiring a growing supply of primary and specialty care providers actively participating in these programs. However, many physicians, dentists and other providers are severely restricting their participation in these programs because of inadequate reimbursement that is well below Medicare and commercial payment rates. Rate cutbacks have reduced physicians' fees to 1993 levels.

Specific Policy Recommendation(s):

- ★ Restore Medicaid and CHIP physician and provider payment rates to pre-2003 levels.
- ★ Begin applying annual inflation increases to Medicaid and CHIP reimbursement rates.
- ★ Enact a plan to bring rates up to Medicare levels.

How does this issue/recommendation relate to prevention and early intervention or maximizing federal funds for health and human services? Investing in adequate provider reimbursement rates will improve children's access to high quality care, bring Texans' federal tax dollars back into our state's economy, and strengthen the Texas health care system overall.

Supporting Facts/Research/Resources*:

- ★ Reimbursement rates below the costs of providing services weaken the capacity of health care safety net providers to continue serving Medicaid and uninsured patients.
- ★ Rate cutbacks have reduced physicians' fees to 1993 levels.
- ★ Recent trends indicate that the number of Texans covered by either employer-sponsored health insurance or individual health insurance policies continues to decrease. At the same time, the number of Texans qualifying for Medicaid and CHIP continues to increase.

Legislative Outcome: Funds were appropriated within the 2008-09 budget to adjust children's Medicaid rates, in accordance with the settlement agreement of the Frew case.

* Sources: Texas CHIP Coalition and Kaiser Family Foundation – www.kff.org

Contact: Randall Ellis at 832-797-6416 or rellis@legacycommunityhealth.org

Laurie Glaze, Chair
Adoptation
Avondale House
Bering Omega Community Services
Care for Elders
Career and Recovery Resources, Inc.
Catholic Charities of the Archdiocese of Galveston-Houston
ChildBuilders
CHILDREN AT RISK
Christ the Good Shepherd Catholic Church
Coalition for Behavioral Health Services
Collaborative for Children
Communities In Schools
DePelchin Children's Center
Family Services of Greater Houston
Fort Bend Regional Council on Substance Abuse, Inc.
Gateway to Care
Good Neighbor Healthcare Center
Gulf Coast CHIP Coalition
Harris County Healthcare Alliance
Healthcare for the Homeless-Houston
Houston Area Association for the Education of Young Children
Houston Food Bank
IntraCare Hospitals
Jewish Family Service
Justice for Children
Legacy Community Health Services, Inc.
Memorial Hermann Healthcare System
Mental Health Association of Greater Houston
NAMI Metropolitan Houston
Neighborhood Centers, Inc.
Northwest Assistance Ministries
San Jose Clinic
SEARCH
South County Community Clinic, DBA The Community Clinic
Spaulding for Children
Target Hunger
Texas Children's Hospital
The Arc of Greater Houston
The Center for Success and Independence
The Arrow Project
The Network of Behavioral Health Providers
United Way of Greater Houston
Wesley Community Center
YMCA of Greater Houston