



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 and 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, lacking action by Congress.

AAP POSITION

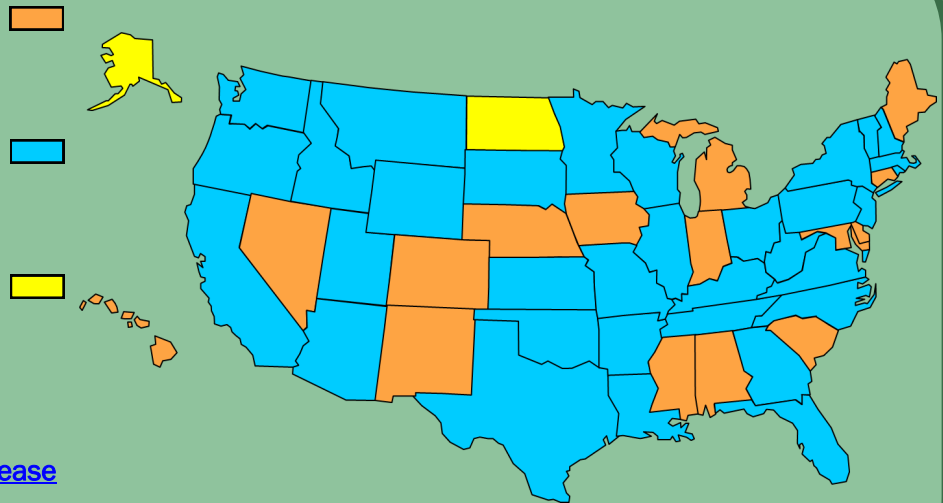
- Medicaid payment is set by each state and has historically been low.
- Low Medicaid payment negatively impacts the ability of pediatricians to participate in the program and impedes access to care for enrollees.
- The AAP has long sought federal enforcement of the Medicaid “equal access” provision and 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.
- The AAP supports full and timely implementation of the ACA Medicaid payment increase to ensure increased access to care for children insured by Medicaid.
- The Academy is currently advocating for an extension of the Medicaid payment increase.

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.
- Some states have chosen to use state funding to extend the Medicaid payment increase past 2014. Since federal legislation was not passed, the Medicaid payment increase in the remaining states expired on December 31, 2014.

PROGRESS

- 15 states—using state dollars to extend the increase*
- 33 states—not using state dollars to extend the increase
- 2 states—Medicaid rates already higher than Medicare rates



Pending Legislation:
[AAP Medicaid Payment Increase Resources](#)—www.aap.org/MedicaidPaymentIncrease

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

MORE

- [CMS resources](http://www.medicare.gov/AffordableCareAct/Provisions/Provider-Payments.html)—www.medicare.gov/AffordableCareAct/Provisions/Provider-Payments.html
- [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)—http://www.aap.org/en-us/my-aap/advocacy/state-government-affairs/Documents/STATEHEALTH_2_4_15.pdf
- [How Much Will Medicaid Physician Fees for Primary Care Rise in 2013? \(Kaiser Commission on Medicaid and the Uninsured\)](http://kff.org/medicaid/issue-brief/how-much-will-medicare-physician-fees-for/)—<http://kff.org/medicaid/issue-brief/how-much-will-medicare-physician-fees-for/>
- [Primer on Medicaid Payment Increase Final Rule \(Kaiser Family Foundation\)](http://kff.org/health-reform/issue-brief/increasing-medicare-payments-for-certain-primary-care/)—<http://kff.org/health-reform/issue-brief/increasing-medicare-payments-for-certain-primary-care/>