

SENATE BILL REPORT

SB 6272

As Reported by Senate Committee On:
Health Care, February 4, 2016

Title: An act relating to ensuring access to primary care services for medicaid beneficiaries by applying the medicare payment rate floor to primary care services furnished under medicaid by providers of primary care services.

Brief Description: Concerning the reimbursement rate primary care providers receive to participate in medicaid.

Sponsors: Senators Becker, Bailey, Dammeier, Parlette, Brown, O'Ban, Cleveland, Frockt, Keiser, Conway, Warnick, Carlyle, Darneille, Rolfes and Chase.

Brief History:

Committee Activity: Health Care: 1/21/16, 2/04/16 [DPS-WM, w/oRec].

SENATE COMMITTEE ON HEALTH CARE

Majority Report: That Substitute Senate Bill No. 6272 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Becker, Chair; Dammeier, Vice Chair; Cleveland, Ranking Minority Member; Angel, Bailey, Baumgartner, Brown, Conway, Frockt, Jayapal, Keiser and Rivers.

Minority Report: That it be referred without recommendation.

Signed by Senator Parlette.

Staff: Mich'l Needham (786-7442)

Background: The federal Affordable Care Act (ACA) provided federal funding for payment increases for Medicaid primary care services at the Medicare rates for calendar years 2013 and 2014. The provision applied to fee-for-service and managed care providers for evaluation and management and vaccine administration services when delivered by a physician with a specialty designation of family medicine, general internal medicine, or pediatric medicine. Specialists and subspecialists within those designations as recognized by the American Board of Medical Specialties, the American Osteopathic Association, or the American Board of Physician Specialties also qualified for the enhanced payments. The enhanced federal funding ended December 31, 2014.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill (Recommended Substitute): Medicaid payment for primary care services furnished by a nurse practitioner; a physician assistant; a physician with a primary specialty designation of family medicine, general internal medicine, or pediatric medicine; or recognized subspecialists must be at a rate not less than 100 percent of the Medicare rate that applies, for services provided fee-for-service and through managed health care systems. Impacted providers must continue to seek restoration of federal funding for the rate increase and notify the Legislature when the funding is secured.

EFFECT OF CHANGES MADE BY HEALTH CARE COMMITTEE (Recommended Substitute): Physician assistants are added to the list of primary care providers. Impacted providers must continue to seek restoration of federal funding for the rate increase and notify the Legislature when the funding is secured.

Appropriation: None.

Fiscal Note: Requested on January 14, 2016.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: I celebrated the increased federal rate for the provider rate increase but was cautious that the rate would end and it has. I support physicians being paid appropriately. Everett Clinic is very committed to seeing Medicaid families and maintaining access to care. Some of our families are the most vulnerable and need the most care, especially to ensure the critical services needed between birth and the age 3, but the clinic needs higher reimbursement to keep the doors open. Some areas have over 50 percent of children on Medicaid and in our area we are the only group of providers taking Medicaid patients between Centralia and Portland. We cannot keep the doors open and be the only access point without higher reimbursement. Molina has 600,000 Medicaid enrollees and it is our goal to increase or sustain access to primary care for the enrollees. Higher rates help increase access. Rural areas can be especially hard-hit with the disproportionate numbers of low-income and access becomes especially difficult and recruitment of providers in those areas is especially difficult. Oral health and ocular health are also primary care needs and we suggest these be included in the rates to increase access to important services. Some practices have 50 to 80 percent of their patients on Medicaid and they cannot survive and keep the doors open without restoring the rate parity with Medicare. The Medicaid rates are 34 percent below Medicare today. At least 15 other states have reinstated the rate increase. The failure to reinstate the rate increase will impact services and care. Let's address this before a true crisis develops. We understand the big fiscal impact of this request but please remember some of it is available through federal match. The expansion of Medicaid magnified the challenges with access and reimbursement. It is important to all providers to address the reimbursement.

OTHER: Physician assistants (PAs) were included in the original rate bump and we would like to ensure they are included again. Excluding the PAs will create barriers for clinics.

Persons Testifying on Original Bill: PRO: Senator Becker, prime sponsor; Dr. Jane Lester, WA Chapter, American Academy of Pediatrics; Dr. Wes Henricksen, Child and Adolescent Clinics; Brad Tower, Optometric Physicians of WA / WA ST Dental Assn; Dr. Frances Gough, Molina Healthcare; Jonathan Seib, Washington Academy of Family Physicians; John McCloskey, Northwest Children's Heart Care; Katie Kolan/Vicki Christopherson, Washington State Medical Association; Sheri Nelson, Assoc of WA Business.

OTHER: Kate White Tudor, Washington Academy of Physician Assistants.

Persons Signed In To Testify But Not Testifying on Original Bill: No one.