

## Testimony to House Appropriations – 2/24/15

### Stephanie Winters, Executive Director, American Academy of Pediatrics Vermont Chapter

Good Afternoon, my name is Stephanie Winters and I am the Executive Director for the American Academy of Pediatrics Vermont Chapter and the Vermont Academy of Family Physicians.

I am here to speak to you today about the importance of Medicaid payments and access to high quality health care, and the urgent need to reverse this years 20% cut inflicted on primary care practices struggling to survive.

Pediatricians often provide care for a large portion of Medicaid patients in a community. Some practices are reporting 50-75% of their practice population is Medicaid. Currently no pediatricians are denying Medicaid, but as you will hear in the personal stories below, the situation is becoming dire.

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#### **Judy Orton, M.D., Green Mountain Pediatrics, PC, Bennington, VT**

*My solo independent pediatric practice is 54% medicaid (average over the past year – month to month may be higher proportion). The past 6 months, we have stopped accepting larger families transferring into the practice with medicaid (3 or more children) which we've never done. With the 20% revenue drop since Jan 2015, I am holding off (and thus will be late) in paying my bills for overhead, I have cut the hours of the medical assistant by 20% and will not be replacing my billing person (who spends 50% of her time as receptionist) when she retires this summer. I have not hired the needed receptionist but instead rotate nursing staff/ medical assistant (and myself if I am the free person) and the biller in that position. I will continue to do what I can but if I cannot afford to replace staff, I'll have to start limiting new patients to commercial plans and/or when a patient with medicaid transfers it will open a space for another medicaid patient. It is certainly not the open access and active growth for the practice that had always been our policy. In the past I have offset the lower reimbursement of Medicaid by doing many of the behind the scenes jobs myself (or my unpaid husband) - office cleaning, clerical duties, lawn maintenance, office maintenance. There is no place left to "cost shift" expenses and there never has been a place to "cost" shift to commercial insurers as there is no bargaining on fee reimbursement – you accept fees or you don't accept that insurance.*

*I hope I never have to make a choice as to offer less services because of reimbursement. Unfortunately, I have already reached the point where new services are not affordable and cannot be instituted.*

#### **Joe Nasca, M.D., Pediatrician, Georgia, VT**

*As the impact of the 20% cut is felt, further limits to patient access will be made. I can no longer accept newborns of mothers with drug addiction, since I lack the social worker supports in my practice to do proper family centered care for these infants, and I had to cut my nurse practitioners hours by 50%.*

#### **Steve Hale, M.D., Essex Pediatrics, Essex, VT**

*We have always taken Medicaid patients and never refused anyone but this year is the first time in over 20 years we have discussed closing our practice to new Medicaid patients because the reimbursement is so low.*

#### **Paul Rogers, M.D. Johnson Family Practice, Johnson, VT**

*I am the only practicing physician for a 10 mile radius. We see about 31% medicaid patients, which is significantly higher than the area average, and higher than the FQHCs. I am in private practice and have never turned away an area resident due to insurance (or lack thereof) - until now.*

*I cannot afford to accept new Medicaid patients at the current reimbursement. It costs me \$120/hour to run my office (which is extremely efficiently run), and if you do the math it cannot work. I am actually considering dropping*

*some of my newer Medicaid enrollees from the practice. I will not get rich accepting rates tied to Medicare, but at least it's a step.*

**Nancy (Anne) Haydock, M.D., Pediatrician, Brattleboro, VT**

*I don't have any specific stories, but I am an independent pediatric practitioner in Brattleboro which is not a wealthy community. I don't have exact numbers, but at last count my percentage of Medicaid (including Dr Dynosaur) was around 52%, the percentage of charges is higher, has been as high as 58%. I would never not see someone because of their insurance, but it's not even a choice I have in this part of Vermont (meaning that by not seeing Medicaid does not mean I will have more patients with regular insurance - I don't think they exist).*

*A 20 percent cut in Medicaid would have a huge impact on our practice. At this point we have put planned cost of living raises for our employees and ourselves on hold. Vermont has been very generous in providing health insurance for children in the state, but it also needs to support pediatricians. It is getting difficult to find pediatricians to come to rural Vermont because we can't offer a competitive salary.*

**Ann Goering, MD, Winooski Family Health**

*Starting January 1, 2015 we took a 20% decrease in payments. We may not make it though the year. There has to be an adjustment to reimbursement. So looking forward they cannot use this years rates as a basis or we will not make any progress.*

*The Blueprint needs to be funded better BUT the funds have to go to the people doing the work- doctors and their practices. Additional payments for quality and cost containment have to go to the practices and not health service area (HSA). Using a HSA model does not hold the hospital and FQHC practices accountable for cost containment.*

*I invite a legislator to spend a day with me and see the amount of non-reimbursed work that happens.*

**Carol Gardner, DO, Family Physician, Colchester, VT**

*This solo primary care physician does not want to be driven out of practice because of rising costs & less reimbursement.*

*Because we signed up for an EMR from a VT company (MBA) as we wanted to support a VT company, & then they reneged on there 5 year contract which I am still paying \$44,000 (monthly) on by not updating to the new Meaningful Use updates (ICD 10's) as they promised initially, we now are being paid 1% less Medicaid reimbursement starting Jan. 2015. The Meaningful Use rule is if you are totally compliant & have met all the Meaningful Use criteria (but an up to date EMR is required) we now are being penalized. I don't want to have to go out of business or stop taking Medicaid patients.*

*Many doc's will have to go out of business if we don't increase Medicaid rates.*

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The Affordable Care Act (ACA) included an important provision to address the problem of low Medicaid physician payment. This was a historic investment in care provided in the Medicaid program. However, since January 1, 2015, following the expiration of the federal ACA Medicaid payment increase, Medicaid payment levels in Vermont have been cut by 20%. Coupled with the expansion of eligibility this has resulted in an even deeper cut for pediatric offices.

We simply can't afford to turn back the clock on the inroads we have made for children enrolled in Medicaid. The American Academy of Pediatrics Vermont Chapter asks that you reinstate the 20% Medicaid cut and ensure that all Vermont children have access to a high quality pediatrician.