

## **The Issue:**

California's Medicaid program — known as Medi-Cal — provides health insurance and long-term care coverage to 6.5 million low-income children, their parents, the elderly, and disabled people in the state.

Despite the high costs of practicing medicine in California, Medi-Cal has long paid among the lowest reimbursement rates in the country, forcing doctors to curtail their participation and creating significant barriers to access to health care for California's poor. Physicians have not seen an increase in reimbursement rates since 2001, even though inflation has increased almost 20% in that time.

The result is that patients have to travel numerous miles to find a doctor and wait for months to see a specialist, if they are even able to find a doctor at all. When they are unable to find a doctor, many Medi-Cal patients seek preventive and other non-urgent care in hospital emergency rooms where care is much more expensive. Other Medi-Cal patients may simply go without preventive and primary care altogether and end up in the ER only after their condition has become severe and more costly to treat. These access issues contribute to pervasive ER overcrowding, which increases wait times, decreases quality, and threatens access to emergency care for everyone.

Nearly half the patients in the Medi-Cal program report difficulty finding a doctor. There is a common misconception that the uninsured are largely responsible for the pervasive ER overcrowding that plagues our state. However, 31% of California ER visits are from Medi-Cal patients, compared to 17% from the uninsured. Many ERs across the state have been closed over the last decade and unless the current and new Medi-Cal patients gain access to a doctor, California's ERs will be overwhelmed. Problems with access

to health care for Medi-Cal patients demonstrate the need for lawmakers to address funding and access issues in the program before expanding it.

## **The Proposals:**

Both the U.S. House of Representatives and the U.S. Senate are looking to expand coverage to millions of Americans. However, expanding Medicaid coverage alone does not guarantee access to a doctor. Each proposal is slightly different in its expansion and varies greatly on how to address the funding concerns.

### **In the House (HR 3962)**

HR 3962, passed by the House in early November, expands eligibility for Medicaid up to 150% of the Federal Poverty Level (FPL). Currently, only families under 100% of the FPL are eligible. The House expansion would provide coverage to more than 31 million uninsured Americans.

The House bill raises Medicaid rates for primary care by 5% to help ensure physician participation in the program. HR 3962 also provides additional funding for primary care training programs. Primary care physicians are the key to a more coordinated, cost-effective health care system that reduces unnecessary hospitalizations and ER visits.

However, the House bill leaves specialists out entirely. In California, particularly in rural areas, there are significant shortages of surgeons and other specialists in the Medi-Cal program. This bill would not help those shortages.

### **In the Senate (America's Healthy Future Act of 2009)**

The Senate plan, also known as the Baucus Proposal, expands eligibility for Medicaid up to 133% of the Federal Poverty Level. This would provide coverage to an additional 14.1 million uninsured Americans.

Unfortunately the proposal does nothing to fix the problem of chronic Medicaid underfunding while expanding coverage. The Senate bill also includes a \$350 enrollment fee for new doctors to enroll in and participate in the system.

### **What It Means for Patients:**

Under both proposals more patients will have health insurance. However, expanding Medicaid coverage alone does not guarantee access to a doctor.

The House bill recognizes that when there are more patients, a greater number of physicians are needed to see those patients. The bill recognizes this fact and boosts primary care payments, helping to ensure that physicians will remain in the program.

Unfortunately, the Senate bill makes no such adjustment. The bottom line is that if the Senate bill becomes law, many patients will end up struggling to find a doctor to see them. If Medicaid patients cannot find a doctor, they will eventually arrive in the ER with more complicated conditions that are three times as costly to treat.

### **What It Means for Doctors:**

Expanding access without fully funding Medicaid will only exacerbate already low physician participation in the program. Keeping reimbursement rates below the cost of providing care will force more doctors out of the program, making it even harder for Medi-Cal patients to find a doctor. Increasing physician payment rates will ensure access to more timely care and save the states and the federal government money in the long term.

### **What Needs to Be Done:**

While CMA fully supports expanding coverage, without payment increases to both primary care physicians and specialists, the promise of coverage will fall short for many low income patients in California and across the nation. The Medicaid program must be adequately funded to ensure access to care for all patients.