

Medicaid Rate Cuts in Excess of 20% for NC Pediatricians Are Hurting Access to Care and Services Available to Children March 2015

NC pediatricians are experiencing substantial rate cuts in 2015. The Affordable Care Act paid primary care Medicaid providers on parity with Medicare. That “bump” ended January 2015 resulting in an average loss of 20% in payments for NC pediatricians according to analysis by the Urban Institute. State mandated cuts of 3% also began for pediatricians in 2015 and additional cuts of 1% are scheduled for later this year, pending CMS approval.

Cuts affect access to care: With the lower rates, many pediatricians are no longer taking new Medicaid patients. In a pollⁱ of its members, the NC Pediatric Society found the following:

- About a quarter of respondents noted that they were limiting new Medicaid patients. Of particular concern, the largest provider in the southeastern part of the state is no longer accepting new Medicaid pediatric patients. Many doctors noted that they had been serving Medicaid patients for decades but did not know how much longer they could continue.
- One respondent noted that they had stopped their asthma clinic and were closing some office locations. One was taking out loans to cover costs no longer covered by Medicaid. Another was writing grants to cover provision of clinical services.
- About one third of respondents reported that they were laying off staff and not filling positions, including doctors and other professional staff.

Cuts affect the services that pediatricians are able to offer all patients: In addition to laying off staff and not filling positions of doctors who are leaving the area, doctors reported being required to see more patients each day, resulting in less time with each child. Practices are also delaying upgrades or repair of equipment and deferring or forgoing technology investments, at the very time that requirements for electronic health records and other e-requirements are increasing.

Additional cuts would worsen the situation. Members of the NC Pediatric Society report that that additional cuts would likely result in more practices limiting acceptance of new Medicaid patients (46%), more staff lay-offs (31%), some practices closing their doors altogether (8%) and more pediatricians retiring sooner than otherwise planned (17%).

ⁱ Survey sent to 1468 members; 333 responded. Not all respondents answered all questions.