

IMPACT OF MEDICAID RATE CUTS FEBRUARY 2015 SURVEY RESULTS OF MEMBERS OF NC PEDIATRIC SOCIETY

In February of 2015, the NC Pediatric Society conducted a survey of its membership to determine the impact of current rate cuts approaching 25% plus the potential effect of additional cuts.¹ Cuts already have a substantial impact on access to health care for children and additional reductions would worsen the situation. Practices are increasingly setting limits on accepting new Medicaid patients; they are laying off staff and ending important support services for all patients; doctors are considering early retirement; equipment and other upgrades are being deferred.

Responses included the following:

Limits on seeing new or current patients: About one quarter of respondents (63 of 246) said they were limiting or no longer accepting patients with Medicaid for insurance as a result of current cuts. Almost half (135 of 279 respondents) reported they would likely limit new Medicaid patients if there were additional cuts. A little over 10% (35 of 279 respondents) said that if there were additional rate cuts they would likely stop seeing *current* patients with Medicaid.

Laying off staff/not filling positions. About 16% (41 of 245) respondents reported they were currently laying off staff to deal with rate cuts. Twice that percentage (32% - 73 of 233) noted that they were not filling vacant positions. About one-third of respondents anticipated laying-off staff (89 of 279) or not filling positions (103 of 279) if there were additional rate cuts. Examples of staff laid off/positions not filled include doctors and support staff. These professionals are now no longer to serve any patients in the practice.

Early retirement: About 1 in 6 pediatric professionals (47 of 279) responding to the survey reported that they would likely retire early if there were additional rate cuts.

Squeezing Practices: In addition to laying off staff and not filling positions of doctors who are leaving the area, NCPeds members 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. One practice has stopped its asthma clinic. At least one practice is closing some of its offices. Comments reflect that at least one practice is writing grants to provide clinical services.

¹ The survey was sent to 1468 members of the NC Pediatric Society via listserv; 333 responses were received. Not all respondents answered all questions. Most respondents were general pediatrics. Most reported seeing that at least one-quarter of their patients used Medicaid for insurance; 27% reported that at least 65% of their patients used Medicaid for insurance.

Respondents were also encouraged to submit comments. Selected examples include the following.

We are at significant risk of being driven out of business by these cuts, and we have stopped accepting new Medicaid patients. We are the largest pediatric practice in southeastern NC.

I have practiced pediatrics for over 30 years. My partners have been dedicated to the health care of all children in our community regardless of their insurance. These draconian cuts are going to force us out of the Medicaid business.... It breaks my heart.

We are having to write foundation grants just to pay staff for clinical services.

We are currently evaluating whether or not to continue seeing Medicaid patients because per our accountant and advisers, the providers are currently seeing Medicaid patients for free. In other words, the reimbursements cover overhead, but it is not enough to compensate the providers also.

Terminated our social worker. Stopped our asthma clinic. Moving offices away from Medicaid areas to private pay locations

We are no longer accepting Medicaid patients who have moved into the area or are born at other medical centers. We are accepting a limited number of infants born at our regional hospital, or siblings of current patients in our practice.

Practice is just able to stay afloat and make ends meet. Our financial margin is so slim it is threatening our viability.

We have reduced the number of new Medicaid patients we accept. Not all our providers are taking new Medicaid patients, and new Medicaid patients will need to wait longer for a first appointment.

We treat many complicated Medicaid patients, including mental health patients who are difficult and require a lot of time and energy-- these cuts are affecting our ability to care for these patients.

We are a popular, high-quality practice. We don't need to see Medicaid patients, but do since we want to do our part... these cuts will force us to reconsider whether we will continue to provide care to Medicaid patients.

Just makes any plans for growth of practice impossible.

I work for a Community Health Center therefore at this point maybe there has not been any changes. However, I have seen problems with specialist offices that are not receiving Medicaid patients making difficult to help patients when they need specialty treatment.

We are a new practice with a small patient population and most of them are Medicaid. It threatens our ability to stay open.

Being a subspecialty, hospital based clinic we cannot turn patients away, but lack of funding is causing us to not hire much needed providers and support staff to expand the practice and provide comprehensive patient care.

Cuts have hit us hard in Early Intervention services and in Compounded Medications. Our children who cannot swallow pills cannot access critical medications because they need to be compounded and compounding is no longer covered.

Cuts could affect the time we spend with patients because we would have to see more to make up the cut.

Patients are receiving more care in ER and urgent care, especially in rural communities

With the ACA bump, we were able to expand our practice to include a child psychiatrist and two psychiatric nurse practitioners. We don't know if the cuts will make it too difficult to maintain these positions. We had hopes to add a Licensed Clinical Social Workers, but are holding on that plan now.

Electronic medical records and other requirements are significantly impacting our business. We cannot continue to have our reimbursements cut while expenses rise exponentially.

Practice is just able to stay afloat and make ends meet. Our financial margin is so slim it is threatening our viability.

I have seen problems when trying to refer to specialist offices that are not receiving Medicaid patients making it difficult to help patients when they need specialty treatments.

We may have to close due to decreased revenues.

The hospital has had to eliminate support staff, administrative staff, and positions addressing patient safety and quality, further undermining our missions of research, quality improvement, teaching, and patient experience improvement.

Financial pressures result in our inability to continue to make improvements in our practice such as purchase of equipment and upgrade/repair of equipment.