



Texas Doctors Concerned About Medicaid Cuts

Written August 11, 2010 by Tabassum Rahmani

As the economy forces states to cut budgets nationwide, Texas is considering cutting reimbursements to doctors who treat Medicaid patients. With physician participation in Medicare already declining in the state and across the nation, Texas doctors are warning support for the program may fall even further if the cuts go through.

According to Susan Rudd Bailey, president of the Texas Medical Association (TMA), a proposal of 1 percent cuts in Medicaid reimbursements could take effect September 1.

“This may not seem like much, but Medicaid does not cover overhead. Some doctors accept Medicaid at a loss. Further cuts to Medicaid may encourage these doctors to pull out. We need to find ways to bring doctors in, not [force them] out,” Bailey said.

Budget Crunch

Bailey said currently one-third of all doctors in Texas accept Medicaid.

“We understand that Texas is going through budget cuts like other states, but cutting initial costs across the board is not the way to do it,” Bailey said. “The public policy question here is: How do you reduce overall costs in medical payments? Do you reduce physician reimbursements? Do you limit service? Or do you help those patients on Medicaid? I go with the latter.”

Devon Herrick, a senior fellow at the National Center for Policy Analysis in Dallas, Texas, noted this is a nationwide problem.

“Texas doctors, like doctors across the country, often find they cannot treat Medicaid patients because government reimbursements are so low compared to what private insurers pay,” explained Herrick. “It varies slightly from state to state, but nationwide, Medicaid reimburses physicians only about 60 percent of what private insurers pay. Most physicians could not earn a living if they treated only Medicaid patients. Thus they limit Medicaid patients to a small percentage of private-pay patients or decline to treat them at all.”

Medicaid Recipients Overuse ERs

Bailey says she does not believe cuts in Medicaid reimbursements will achieve the goal of reducing overall costs in either the short or long term.

“Patients on Medicaid are going to the ER when they cannot find a doctor who accepts Medicaid. They then delay treatment until they are in a crisis state and require expensive treatment. The ER is always crowded. This will just make it worse,” Bailey explained.

Medicaid patients who are added to the program have a hard time finding a doctor who will treat them, Herrick notes.

“As a result, Medicaid patients often turn to the emergency room for primary care. Nearly one-third of Medicaid patients visit the ER each year, compared to only about 17 percent of patients covered by private insurance.”

Further ER Increase Expected

Herrick says public health experts are just beginning to realize a shortage of primary care physicians willing to treat Medicaid patients could translate to millions of patients having difficulty seeing a doctor.

“The new health care reform law will make 18 million uninsured residents eligible for Medicaid. This will make it even harder to find a doctor willing to treat Medicaid patients,” Herrick said. “Many experts believe overcrowding in the ER will increase under health care reform, rather than decrease as was originally expected.”

Concerned About Further Cuts

Stephanie Goodman, communications director for the Texas Health and Human Services Commission, said the real concern is what will happen to Medicaid rates during the next legislative session, whether rates will be forced further down in the spring of 2011.

“We are concerned that further reductions to Medicaid rates will make it even harder to attract doctors to the program. That's a particular problem with national health care reform around the corner,” Goodman said. “The national plan is expected to add more than two million people to the Medicaid rolls in Texas. That means we'll need to increase the number of doctors in the program. It doesn't do any good to provide people with Medicaid coverage if they can't find a doctor.”

Bailey says she still hopes another path will be found.

“I am hopeful that the reimbursement cuts will not go through and we can work with the government to find ways to reduce overall medical costs,” Bailey said.