

SENATE BILL REPORT

SB 5471

As Reported by Senate Committee On:
Health Care, February 16, 2017

Title: An act relating to ensuring access to primary care services for medicaid beneficiaries by applying the medicare payment rate floor to primary care services furnished under medicaid by providers of primary care services.

Brief Description: Concerning the reimbursement rate primary care providers receive to participate in medicaid.

Sponsors: Senators Rivers, Cleveland, Bailey, Rolfes, Brown, Frockt, Keiser and Carlyle.

Brief History:

Committee Activity: Health Care: 2/09/17, 2/16/17 [DPS-WM].

Brief Summary of Substitute Bill

- Requires the Medicaid payment for primary care providers be not less than 100 percent of the Medicare rate.

SENATE COMMITTEE ON HEALTH CARE

Majority Report: That Substitute Senate Bill No. 5471 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Rivers, Chair; Becker, Vice Chair; Cleveland, Ranking Minority Member; Kuderer, Assistant Ranking Minority Member; Bailey, Conway, Fain, Keiser, Miloscia, Mullet, O'Ban and Walsh.

Staff: Mich'l Needham (786-7442)

Background: The federal Affordable Care Act provided federal funding for payment increases for Medicaid primary care services at the Medicare rates for calendar years 2013 and 2014. The provision applied to fee-for-service and managed care providers for evaluation and management and vaccine administration services when delivered by a physician with a specialty designation of family medicine, general internal medicine, or pediatric medicine. Funding was also provided in the state budget to increase the reimbursement for nurse practitioners. The enhanced funding ended December 31, 2014.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill (First Substitute): The Medicaid payment for primary care services furnished by a nurse practitioner, physician assistant, a naturopathic physician, or a physician with a specialty designation of family medicine, general internal medicine, or pediatric medicine must be at a rate not less than 100 percent of the Medicare payment rate for the same services and providers, for both fee-for-service and managed health care systems.

EFFECT OF CHANGES MADE BY HEALTH CARE COMMITTEE (First Substitute):

- Adds physician assistants and naturopathic physicians to the list of primary care providers.
- Removes the reference to the American Board of Physician Specialties.

Appropriation: None.

Fiscal Note: Requested on February 1, 2017.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: We are blessed with a significant number of people with insurance in this state but we have an access to care problem that can be helped with this bill. The handouts show the reimbursement rates for all states with a comparison of Medicaid rates as a percentage of Medicare, and Washington is ranked near the very bottom while our border states are significantly higher. As we look to recruit providers, we are unable to find providers willing to take these Medicaid rates. We must get our rates on par with the Medicare rates. The neonatal critical care units see the tiniest babies, irrespective of their insurance or ability to pay, but the Medicaid reimbursement poses a serious threat to providing care and finding care for the infant once released from the hospital. We are critically understaffed due to the reimbursement level and the high percentage of infants covered by Medicaid. General practitioners cannot accept too many patients on Medicaid if they want to remain viable but the hospital neonatal unit accepts these fragile babies even if there is no payment. We need to invest in children and their care as one of the best investments in their future health care. The advanced registered nurse practitioners (ARNPs) are in support of this payment change. ARNPs get paid the same as physicians in Medicaid and it is important to maintain 100 percent of the Medicaid rate and bump it to 100 percent of the Medicare rate. There is a crisis in accessing care. When so many of our providers are getting 67 percent of the Medicare rate and overhead costs are at 65 percent, we cannot afford to see patients and keep our business. When the rate increases where dropped, providers dropped their salaries and reduced staff, and some of our largest clinics have been closing their doors to Medicaid patients. Seventeen states have maintained the payment rate increase and they are not experiencing the same problems with access to care. We are facing a shortage of providers and we cannot afford to have more providers limit the numbers of Medicaid patients they can see of there will be very little access to care. We have one technical amendment request to remove the reference to the American Board of Specialists since that is not the appropriate reference.

OTHER: The physician assistants play a critical role in primary care and we support this proposal to increase reimbursement, but we would like physician assistants added to the list of providers, as we were last year. The naturopaths support this bill but would like to be included in the list of providers. Naturopaths spend substantial time with patients and bring a unique holistic perspective to health care discussions that include lifestyle issues, that can save costs to the health care system. Our providers also come out of graduate school with very heavy debt loads since the schools do not receive public funds so our providers are especially in need of reimbursement increases.

Persons Testifying: PRO: Senator Ann Rivers, Prime Sponsor; Leslie Emerick, ARNPs United; Dr. Beth Harvey, WA Chapter American Academy of Pediatrics; Vicki Christophersen, MEDNAX; Dr. Serena Scott, Corporate Medical Director Multi-Care/Mary Bridge Neonatal Services; Dr. Ron Ilg, Medical Director of the Spokane Neonatal Group; Katie Kolan, Washington State Medical Association.

OTHER: Kate White Tudor, WA Academy of Physician Assistants; Terry Kohl, WA Assn. of Naturopathic Physicians; Robert May, WA Assn. of Naturopathic Physicians.

Persons Signed In To Testify But Not Testifying: No one.