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January 27, 2015

The Honorable Eileen Cody
Chair
House Health Care and Wellness Committee
303 John L. O'Brien Building
P.O. Box 40600
Olympia, WA 98504

Re: American Medical Association support for Medicaid payment parity for primary care

Dear Chairwoman Cody:

On behalf of the American Medical Association (AMA) and our physician and medical student members, I am writing in support of extending Medicare-level reimbursement rates to primary care physicians in Medicaid in the 2015-2017 operating budget.

As you know, Congress increased Medicaid reimbursement rates to Medicare levels for certain primary care services in 2013 and 2014. Though temporary, the payment increase improved access to primary care for Medicaid patients. After the increased rates were implemented, physicians were more willing to accept new Medicaid patients and to continue seeing existing Medicaid patients. However, federal funding has expired.

Without an extension, primary care physicians in Washington are facing a 36.3 percent rate cut.¹ Research has demonstrated that low Medicaid reimbursement rates can significantly affect a physician's ability to accept Medicaid patients into his or her practice. If the cuts to Medicaid rates are allowed to remain, physicians may not have the financial capacity to continue participating in Medicaid. In addition, increasing these rates recognizes the value of access to primary care services for Medicaid beneficiaries. Without adequate supply of Medicaid-participating physicians, enrollees are likely to face barriers to care, which could result in increased emergency department visits and costly, delayed care for chronic conditions.

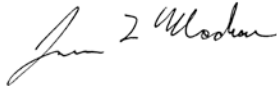
The AMA believes that everyone deserves access to quality health care and that all physicians seeing Medicaid patients should be paid at least Medicare-level rates to ensure patients have adequate access to necessary health care services. We urge you to pass a budget that includes Medicaid reimbursement rates for primary care physicians in parity with Medicare rates.

¹ Stephen Zuckerman, Laura Skopec, & Kristen McCormack, Urban Institute, *Reversing the Medicaid Fee Bump: How Much Could Medicaid Physician Fees for Primary Care Fall in 2015? Evidence from a 2014 Survey of Medicaid Physician Fees* 7 (Dec. 2014).

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Thank you for your consideration of this important issue. If you have any questions, please contact Annalia Michelman, JD, Senior Legislative Attorney, Advocacy Resource Center, at annalia.michelman@ama-assn.org or (312) 464-4788.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim L Madara".

James L. Madara, MD

cc: Washington State Medical Association