

REQUEST:

What are the top three (or five) reasons providers give for not wanting to participate in the Medicaid program? Rates are often talked about as a major concern but are there other areas the state can address to make the program more attractive to providers if large rate increases are not a possibility?

RESPONSE:

Recent research continues to demonstrate that the primary reason physician do not participate in Medicaid are low reimbursement rates (Takach 2011; Decker 2012; Wilk 2013). Increases in rates, or financial incentives, are most correlated with increased participation. However, this is not the whole story, as other key issues significantly impact and reduce physician participation (GAO 2012; Long 2013).

Based on their most recent biennial survey, the Texas Medical Association (TMA) proposed their top ten recommendations (TMA 2014). Among these 10 recommendations, three directly applied to Medicaid. These are, with their overall rank noted:

- Increase Medicaid primary care physician payments and extend higher payments to subspecialists and the Children’s Health Insurance Program (1).
- Devise and enact a system for providing health care to low-income Texans with realistic payments to physicians, less stifling state bureaucracy, and no fraud-and-abuse witch hunts (2).
- Standardize Medicaid managed care administrative processes (7).

These recommendations reflect national physician concerns about participating in Medicaid programs. In lieu of, or in conjunction with, increasing reimbursement rates, states have found that streamlining bureaucratic processes and reducing administrative barriers and costs significantly increased physician participation (GAO 2012; Long 2013). Increasing rates is not the whole story.

Proven effective steps that states can take to reduce bureaucratic bottlenecks and red tape are:

- Simplify and decrease the processing time for Medicaid applications and renewals.
- Speed up physician reimbursement.
- Simplify the claims resolution process.
- Improve and speed up the process of authorizing patient services and procedures.

Administrative costs and barriers also reduce physician participation in Medicaid. These administrative issues affect all levels of physician practices, whether large or small. However, it should be kept in mind that many physicians essentially operate as a small business. Steps

that states have taken to reduce administrative issues, and increase participation, include:

- Simplifying the initial claims process.
- Providing education and training to physicians and staff in order to reduce problems with the claims process.
- Similarly, providing training, in a timely manner, when new procedures or technology are implemented. The state needs to be proactive when new administrative demands are to be enacted.

SOURCES:

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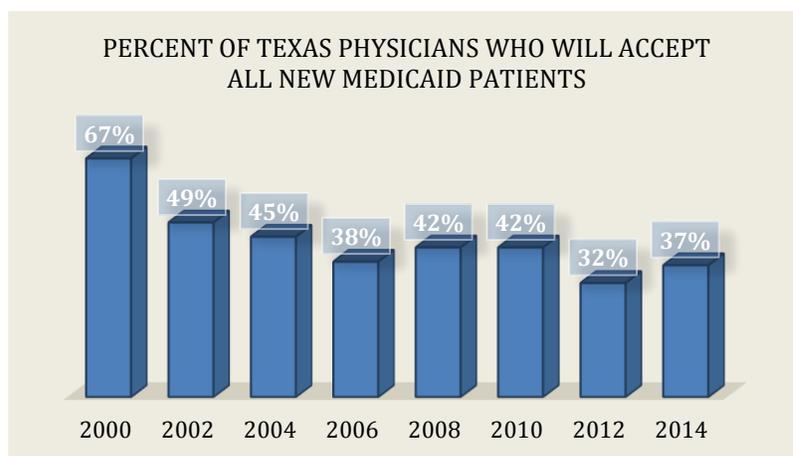
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DATA EXHIBITS:



Source: Texas Medical Association 2014 Biennial Survey