Medicaid Expansion Is No Guarantee for Care

BY MARY ELLEN SCHNEIDER

One of the cornerstones of the health care reform law is a massive expansion of the Medicaid program.

Starting in 2014, all states will be required to expand eligibility of their Medicaid programs to all adults at or below 133% of poverty, regardless of whether they have children or are disabled. And beginning last month, states could choos to open up programs to these new enrollees early.

This is the first time in the history of the Medicaid program that states can receive federal funds for providing coverage for adults based solely on income levels.

In April, officials at the Centers for Medicare and Medicaid Services released the first details on how the new eligibility requirements will work.

States that choose to begin enrolling these newly eligible adults before 2014 will receive federal matching payments at the regular Federal Medical Assistance Percentage rate. Starting in 2014, they will receive an increased matching rate for certain people in the new eligibility group, according to CMS. The agency plans to issue separate guidance on this issue later.

In a survey, 67% of responders said that Medicaid patients will struggle to find a primary care physician if the expansion is not accompanied by reforms such as payment increases.

The immediate impact on states will probably vary based on whether they are already covering some of the newly eligible adults with their own funds. In those states, the new federal money will mean an immediate savings. States that don't already offer expanded coverage will be spending new money to pick up their share of covering new beneficiaries.

Another question is how the expansion of the Medicaid program will impact access to care. In many states, Medicaid pays physicians at rates well below Medicare levels, and some estimates suggest that, around the country, only about half of primary care physicians even accept new Medicaid patients.

Under the Health Care and Education Reconciliation Act passed as part of health reform, Congress raised Medicaid payments up to Medicare levels for primary care providers starting in 2013 and 2014.

A survey of 944 primary care physicians that was conducted by UnitedHealth Group found that 67% think that new Medicaid patients will struggle to find a suitable primary care physician if the Medicaid expansion is not accompanied by other reforms, such as payment increases. If payment is increased to at least Medicare levels, about half of physicians (49%) said that they would be willing to take on new Medicaid patients.

"Having a Medicaid insurance card is not the same as having a primary care doctor [who] will treat you," Simon Stevens, executive vice president of UnitedHealth Group and chairman of the UnitedHealth Center for Health Reform and Modernization, said during a news conference to discuss Medicaid expansion.

"Unfortunately, that disconnect between Medicaid benefits and health care access has in some places been growing in recent years," he said.

UnitedHealth Group estimates that the cost to permanently boost Medicaid payments to physicians would be about $63 billion from 2013 to 2019, with about $50 billion of that cost currently not funded by the health care reform law.

What needs to be avoided, Mr. Stevens said, is a new Medicaid "doc fix problem" in which the federal government or the states temporarily make adjustments to Medicaid physician payments after 2014 in the same way they have been heading off payment cuts in Medicare in recent years. ■

Centers Will Help Transition to 'Meaningful' Use of EHRs

BY MARY ELLEN SCHNEIDER

Looking to buy or implement an electronic health record in your practice? Help is on the way.

The Department of Health and Human Services has awarded more than $640 million in grants to set up regional extension centers around the country, with the goal of helping physicians and hospitals achieve "meaningful use" of electronic health record (EHR) technology.

At press time, several regional extension centers were preparing to enroll physicians.

The staff at these regional extension centers will work "elbow to elbow" with physicians, Dr. David Blumenthal, national coordinator for health information technology, said during a press conference to announce the final round of regional extension center grants.

In April, the HHS awarded more than $267 million in grants to 28 nonprofit organizations that will set up Health Information Technology Regional Extension Centers. This builds on more than $375 million in grants that the agency awarded for 32 regional extension centers in February. The funding is part of the 2009 American Recovery and Reinvestment Act.

The main goal of the regional extension centers is to help physicians and other health care providers to become meaningful users of EHRs, even as the standard for meaningful use is being defined through federal rule making.

Broad Range of Services

Under the Health Information Technology for Economic and Clinical Health Act, a part of the 2009 federal stimulus law, physicians who treat Medicare patients can earn up to $44,000 over 5 years for the meaningful use of a certified health information systems. Those with patient populations of at least 30% Medicaid can earn up to $64,000 in federal incentive payments.

To help physicians become meaningful users, the regional extension centers will provide a broad range of services, Dr. Blumenthal said, from helping physicians select the most appropriate equipment for their practice through the implementation of the products.

The regional extension centers also will help practices purchase technology in groups at reduced prices, he said.

"We hope that these regional extension centers will help providers improve their workflow using electronic health records, improve the quality and efficiency of the care they can provide using electronic health records, and of course thereby increase the efficiency and quality of care available to the American people," Dr. Blumenthal said.

Early Enrollment Encouraged

Farzad Mostashari, a senior advisor in the Office of the National Coordinator for Health Information Technology, encouraged physicians to enroll with their regional extension center as soon as possible, even before they make a decision about purchasing an EHR product.

Physicians can expect to get a lot of assistance from the center staff, he said. For example, the practice staff and the regional extension staff may have weekly contacts as the practice works to establish a plan for implementation, as well as during the implementation period. Following implementation, the center staff may check in with the practice on a monthly basis to see how they are progressing with quality improvement and workflow design.

Initially, the centers will focus on aiding primary care providers in small practices. HHS estimates that the 60 centers will provide services to at least 100,000 primary care providers and hospitals within 2 years.

Small, primary care practices are being targeted because this group reaches a large number of patients, Dr. Blumenthal said, but they are also the least likely to be able to afford to purchase health information technology support services in the private market.

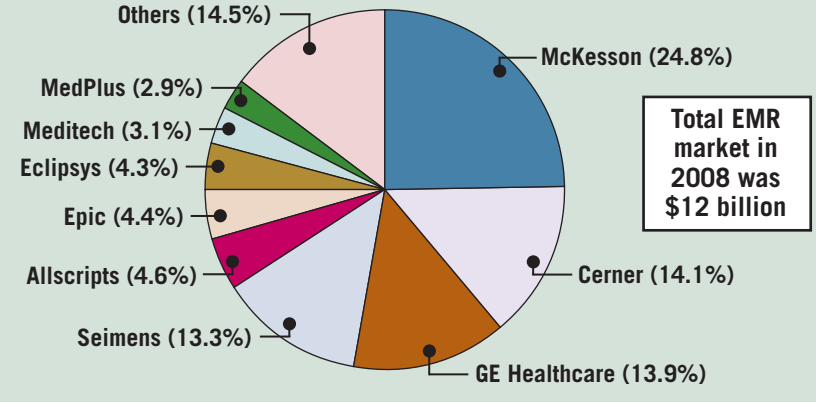
Although the stimulus law directs the regional extension centers to give priority for direct technical assistance to primary care providers, all physicians are encouraged to participate in the outreach and educational opportunities of these centers, according to the HHS.

The agency defines primary care as family medicine, internal medicine, pediatrics, or obstetrics and gynecology.

In addition to small practices, the HHS is also reaching out to small hospitals. The department plans to award another $25 million to regional extension centers that work with critical access and rural hospitals with 50 beds or less. Small hospitals have an especially difficult time finding the resources and expertise to successfully adopt health information technology, Dr. Blumenthal said. ■

DATA WATCH

McKesson Had Largest Share of U.S. EMR Market in 2008



Note: Based on interviews with industry officials and consultants and analysis of company literature, databases, and investment reports. Figures have been rounded.

Source: Kalorama Information