May 30, 2012

Ross Mason, Chairman
Georgia Board of Community Health
Post Office Box 1966
Atlanta, Georgia 30301

RE: May 10, 2012 Public Notice of Proposed Changes in Payments for Medicare Dually Eligible Beneficiaries' Coinsurance and Deductibles

Dear Chairman Mason:

The undersigned medical societies oppose the change that the Georgia Department of Community Health (DCH) has proposed for coinsurance payments and deductibles for dually-eligible Medicare/Medicaid beneficiaries in Georgia because it will irreparably damage the medical profession in the state. We believe that the state should allow physicians to be paid in full for the medical services they provide (and have earned), including the deductibles, copayments, and coinsurance amounts for dually-eligible patients.

It is true that states can cap their liability for dually-eligible patients at the Medicaid allowable under Section 4714 of the federal Balanced Budget Act of 1997, but less than half of the states do so – and for good reason.

Reducing physician pay for dually-eligible patients is both unfair and unreasonable. Physicians should not be forced to subsidize the program. What’s more, this change would place some of the state’s most vulnerable citizens at risk – especially in rural parts of the state and the inner city, areas that have disproportionately high numbers of dually-eligible patients.

Given a variety of chronic medical conditions, Medicare and Medicaid patients generally carry higher health care costs. That means they are generally more dependent on physicians, so the change would effectively limit the amount of access and care they receive. Making matters worse is the federal law that prohibits physicians from billing patients for the balance of unpaid copayments and premiums.

The Medicare Payment Advisory Committee estimates that the expense associated with running a physician’s practice is increasing by about three percent per year, yet physician payments for Medicare and Medicaid have either been flat or declined for the last 10 years. It is, therefore, not surprising that the number of physicians who are participating in the Medicaid program in Georgia has declined by some 15 percent in the last five years – a disturbing trend that will accelerate if the change in question goes into effect.
It is also worth noting that seniors in Georgia are already struggling to find a physician who is willing to accept new Medicare patients. In fact, one of every four physicians who participated in a MAG survey in 2011 said they no longer accept new Medicare patients.

The DCH proposal would translate into about $100 million in losses for physicians and hospitals over the next two years. That is also important since Georgia, at $9,783, ranked 48th in dual-eligible beneficiary expenditures per year in 2008 – well below the national average of more than $16,000, according to the “Kaiser Commission on Medicaid and the Uninsured, Medicaid’s Role for Dual Eligible Beneficiaries.”

Although the proposed change would affect most, if not all, medical practices and specialties, it would have an especially significant affect on nephrology (hemodialysis and renal dialysis) and renal-dialysis centers since the patients who receive care for those services are almost exclusively dually-eligible. Oncology, psychiatry and those who care for children with disabilities would also be especially hard hit. Note that some states have attempted to mitigate the punitive effects on these groups by exempting them from these kinds of reduction in pay or by increasing their pay for chemotherapy drugs to the Medicare rates for oncology, etc. – something we hope the Board will keep in mind.

We look forward to working with DCH and the Board and legislative leaders and other key stakeholders in the state to find responsible and sustainable ways to reduce the costs associated with Medicaid. That said, we believe that changing the coinsurance payments and deductibles for dually-eligible Medicare/Medicaid beneficiaries will irreparably damage the medical profession in Georgia, it will destabilize the Medicaid/PeachCare networks, and it will place some of the state’s most vulnerable citizens at risk.

We are, therefore, urging the Board to vote against the DCH proposal to change the coinsurance payments and deductibles for dually-eligible Medicare/Medicaid beneficiaries in the state.

Sincerely,

Georgia Academy of Family Physicians
Georgia Chapter, American College of Cardiology
Georgia Chapter, American College of Physicians
Georgia College of Emergency Physicians
Georgia Neurosurgical Society
Georgia Obstetrical and Gynecological Society
Georgia Orthopedic Society
Georgia Psychiatric Physicians Association
Georgia Society of Ambulatory Surgery Centers
Georgia Society of Clinical Oncology
Georgia Society of Dermatology and Dermatologic Surgery
Georgia Society of Ophthalmology
Medical Association of Georgia

cc: David Cook, Commissioner, Department of Community Health