

March 16, 2021

The Honorable Kim Schrier
U.S. House of Representatives
1123 Longworth House Office Building
Washington, DC 20515

The Honorable Kathy Castor
U.S. House of Representatives
2052 Rayburn Health Office Building
Washington, DC 20515

The Honorable Brian Fitzpatrick
U.S. House of Representatives
271 Cannon House Office Building
Washington, DC 20515

Dear Representatives Schrier, Castor, and Fitzpatrick,

As organizations dedicated to promoting the health of our nation, including children, pregnant women, and families, we write in support of H.R. 1025, the Kids' Access to Primary Care Act of 2021. Medicaid provides health insurance to 1 in 5 Americans, including many individuals with costly and complex health needs and nearly 40 percent of all children.¹ Lower payment rates in Medicaid have historically created substantial barriers to accessing various health care services, a difficulty exacerbated by the health and financial challenges posed by the COVID-19 pandemic. Ensuring parity with Medicare payment rates will help eliminate these barriers and increase access to care for people with Medicaid coverage.

Medicaid is a critical part of our health care system. Medicaid covers some of the most vulnerable populations, including low-income children, pregnant women, and families, children with special health care needs, non-elderly adults with disabilities, and older adults. Medicaid is designed to meet the specific needs of these populations, providing access to necessary health services that include maternity care, pediatric services, behavioral health services, primary and dental care, specialized inpatient and emergency hospital services, and long-term services and supports.

As a result of these important services, Medicaid beneficiaries are less likely than those who are uninsured to postpone or forgo needed care due to cost, and less likely to have suffered a decline in their health in the past six months.^{2,3} Medicaid coverage for low-income pregnant women and children has helped lower maternal, infant,

¹ Kaiser Family Foundation, Health Insurance Coverage of the Total Population, 2018 data, estimates based on Census Bureau's American Community Survey, 2008-2018. Accessed from <https://www.kff.org/other/state-indicator/total-population/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

² https://www.macpac.gov/wp-content/uploads/2015/01/Contractor-Report-No_2.pdf

³ Amy Finkelstein *et al.*, "The Oregon Health Insurance Experiment: Evidence from the First Year," National Bureau of Economic Research Working Paper 17190, July 2011, <http://www.nber.org/papers/w17190>.

and child mortality in the U.S.^{4,5} Children enrolled in Medicaid are more likely than their uninsured peers to get medical check-ups, attend more days at school, graduate and enter the workforce.⁶ Simply put: Medicaid works.

However, even people covered by Medicaid may experience barriers to accessing care. A large body of research has shown that comparatively low payment rates are a substantial factor affecting physician participation in Medicaid. Medicaid payments for services are significantly lower than Medicare payments for the same services.^{7,8} On average, a clinician treating a Medicaid enrollee is paid about two-thirds of what Medicare pays for the same services and only half of what is paid by private insurance plans.⁹ Primary care clinicians commit themselves to a long-term relationship with all their patients — including Medicaid beneficiaries — and provide not only first-contact and preventive services, but also the long-term care for chronic conditions that minimizes hospital admissions and reduces costs to the system. Increasingly inadequate Medicaid payments impede the ability of clinicians and other providers to accept more Medicaid patients, particularly among small practices, and threatens the viability of practices serving areas with a higher proportion of Medicaid coverage.

As a source of coverage for more than 70 million Americans, Medicaid plays a key role in connecting individuals to testing, treatment, and vaccination for COVID-19. Unfortunately, the COVID-19 pandemic has only exacerbated longstanding payment inequities, threatening the continued viability of Medicaid providers. Medicaid providers are facing dramatic financial challenges leading to substantial layoffs and even practice closures. Without changes, continually low Medicaid fees may force practices to limit the number of patients covered by Medicaid they can accept, or even stop accepting patients covered by Medicaid altogether. As more Americans rely on Medicaid as a crucial support during an economic downturn, the financial challenges confronting practices could leave people with Medicaid coverage facing long wait times or the inability to access needed care.¹⁰

Congress took action to raise Medicaid primary care payment rates to Medicare levels in 2013 and 2014, with the federal government paying 100 percent of the increase. Access improved as a result: for example, the policy

⁴ Andrew Goodman-Bacon, "Public Insurance and Mortality: Evidence from Medicaid Implementation," *Journal of Political Economy* 126, no. 1 (February 2018): 216-262. <https://doi.org/10.1086/695528>

⁵ Adam Searing & Donna Cohen Ross. Medicaid Expansion Fills Gaps in Maternal Health Coverage Leading to Healthier Mothers and Babies, Georgetown University Center for Children and Families, May 2019. <https://ccf.georgetown.edu/wp-content/uploads/2019/05/Maternal-Health-3a.pdf>

⁶ Medicaid and CHIP Payment and Access Commission. *Use of Care among Non-Institutionalized Individuals Age 0–18 by Primary Source of Health Coverage, Data from Medical Expenditures Panel Survey*. MACStats, 2018, <https://www.macpac.gov/publication/use-of-care-among-non-institutionalized-individuals-age-0-18-by-primary-source-of-health-coverage-data-from-medical-expenditures-panel-survey/>.

⁷ Berman S, Dolins J, Tang SF, Yudkowsky B. Factors that influence the willingness of private primary care pediatricians to accept more Medicaid patients. *Pediatrics*. 2002;110(2 pt 1):239–248pmid:12165573, <https://pediatrics.aappublications.org/content/110/2/239>

⁸ AAP Survey of Pediatrician Participation in Medicaid, CHIP and VFC. Elk Grove Village, IL: American Academy of Pediatrics; 2012. <https://www.aap.org/en-us/professional-resources/Research/pediatrician-surveys/Documents/TX.pdf>

⁹ Kaiser Family Foundation, Medicaid-to-Medicare Fee Index, 2016 data, accessed from <https://www.kff.org/medicaid/state-indicator/medicaid-to-medicare-fee-index/>. Data sourced from Stephen Zuckerman, Laura Skopec, and Marni Epstein, "Medicaid Physician Fees after the ACA Primary Care Fee Bump," Urban Institute, March 2017.

¹⁰ Zuckerman S, Skopec L, Aarons J. Medicaid Physician Fees Remained Substantially Below Fees Paid By Medicare In 2019. *Health Aff (Millwood)*. 2021 Feb;40(2):343-348. doi: 10.1377/hlthaff.2020.00611. PMID: 33523743.

change led office-based primary care pediatricians to increase their participation in the Medicaid program.¹¹ Unfortunately, lawmakers failed to reauthorize the payment increase after 2014. H.R. 1025 would bring Medicaid payments for primary care services back in line with Medicare payment levels, while also expanding the list of eligible clinicians to ensure that people with Medicaid can access the care they need. The legislation would also help illuminate the impact of payment parity through a study of subsequent changes in Medicaid provider enrollment and payment rates.

Vulnerable populations need coverage that ensures them access to affordable and comprehensive quality care. When Medicaid beneficiaries cannot find a clinician who accepts new Medicaid patients, they face the same access problems as those who have no insurance. They are less likely to have a usual source of care, to forgo needed preventive and acute care for minor problems, to develop complications that require intensive and costly medical intervention, and to have poorer health status. Appropriate and adequate payment is essential to ensure the viability of the primary care workforce to provide such care. As such, we fully support H.R. 1025.

Thank you for your continued leadership in promoting policies that improve coverage and access to care. If you have any questions, please contact Stephanie Glier, Director of Federal Advocacy at the American Academy of Pediatrics, at sglier@aap.org.

Sincerely,

Academic Pediatric Association
American Academy of Family Physicians
American Academy of Pediatrics
American College of Nurse-Midwives
American College of Obstetricians and Gynecologists
American College of Physicians
American Osteopathic Association
American Pediatric Society
Association of Maternal & Child Health Programs
Association of Medical School Pediatric Department Chairs
Children's Defense Fund
Children's Hospital Association
Community Catalyst
Families USA
Family Voices
First Focus Campaign for Children
March of Dimes
National Association of Pediatric Nurse Practitioners
National League for Nursing
Pediatric Policy Council
Prevent Blindness

¹¹ Increased Medicaid Payment and Participation by Office-Based Primary Care Pediatricians, Suk-fong S. Tang, Mark L. Hudak, Dennis M. Cooley, Budd N. Shenkin, Andrew D. Racine, Pediatrics Jan 2018, 141 (1) e20172570; DOI: 10.1542/peds.2017-2570: <https://pediatrics.aappublications.org/content/141/1/e20172570>

Primary Care Collaborative
School-Based Health Alliance
Society for Adolescent Health and Medicine
Society for Pediatric Research
United Way Worldwide