



## **Oppose Cuts to Medicaid Reimbursement Rates for Medical Care Special Session 2020**

“Due to a serious shortfall in state revenue, largely related to reduced oil and gas taxes, many state program budgets were either reduced or not sufficiently increased to cover current program costs during the 2016 session of the New Mexico Legislature. The state Medicaid program is not an exception.”

History is repeating itself. Medicaid rates dropped 2-43% in 2016 and **Medicaid is again on the chopping block with a proposed 10.6% fee reduction across the board.** [In addition to the 3% “sanding,” there is a “federal match swap.” In the executive budget proposal this is \$70M in FY21 and in LFC this is \$75M in FY21. So, in reality the cut to the Medicaid budget is not 3% but is around \$104M which is a 10.6% cut.] This drastic reduction comes amid every other onslaught to medical practices in the state – restriction of “non-essential” services and closures due to COVID-19, staff layoffs, increased practice expenses, and expansion of the Medicaid rolls.

Although the reductions imposed in 2016 were partially made up in a few specialty areas with small increases in E & M codes, providers across the board are still at a loss. Despite those losses, which have been exacerbated by care for COVID-19 patients, restrictions placed on medical services performed, and costs associated with PPE and other safety measures, another deep cut to Medicaid rates is being considered.

Medicaid payments do not increase annually, though practices costs do, as do the number of patients with Medicaid. Right now, medical practices are working to rebuild their practices and treat patients who have delayed critical care since the March 24<sup>th</sup> shut down of “non-essential” services, which has resulted in increased severity of disease and symptoms. A survey of New Mexico medical practices shows the number of patients treated, procedures done, claims filed, and revenue received by our healthcare heroes dramatically fell in the last 3 months. For example, 66% of practices had a reduction in revenue anywhere from 41-100%.

Medical providers and their patients deserve your protection. **New Mexico Medical Society physician members ask you to oppose cuts to Medicaid reimbursement rates.**

For more information, please call:

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