



## **2019 Legislative Session**

### **Medicaid Fee – Recover Fair Payment Rate**

#### **THE PROBLEM**

Payments to physicians for Medicaid services provided have been far below the state's goal of 105% of the Medicare rate plus gross receipts tax (GRT) for more than fifteen years. The latest cut was in summer of 2016 when the state had severe budget deficits – the cuts ranged from 2% for primary care to 45% for radiology. At the time of the cuts, Human Services Department (HSD) agreed to reinstate fee rates when the state coffers had a surplus. That time is now.

#### **BACKGROUND**

In **2000**, the Human Services Department and the New Mexico Medical Society (NMMS) set a goal for Medicaid reimbursement to be 105% of Medicare reimbursement rate plus Gross Receipts Tax because it was determined to be a fair rate for reimbursement of services. This not only helped the 95% of providers who treat Medicaid patients receive a more just compensation rate but helped to maintain access to and availability of Medicaid providers.

In **2001**, after an intense battle at the state legislature, NMMS was successful at achieving an increase of 29.59% in Medicaid reimbursement rates, bringing the rate to 104% of Medicare 2006 fee schedule rates.

In **2016**, with the state under grave financial distress, HSD was compelled to cut \$30 million from the Medicaid budget in a convoluted fashion hitting specialty care harder than primary care but reducing everyone's rate even further below the agreed-to fair payment rate.

#### **THE SOLUTION**

New Mexico Medical Society requests that the Human Services Department establishes the payment of physicians for services rendered to Medicaid patients at a minimum rate equal to 105% of the Medicare Part B Physician Fee Schedule plus gross receipts tax and update it annually.