

Adequate Reimbursement for CHIP & Medicaid Providers

We urge development of health care policies and programs that will insure that all people can receive adequate health care. We challenge our state legislators to appropriate the resources necessary to provide hospitals and health care providers with adequate reimbursements to cover the costs of care. (*Texas Catholic Conference, Pastoral Statement on Health Care*)

Church teaching

- ★ Life and physical health are precious gifts entrusted to us by God. We must take reasonable care of them, taking into account the needs of others and the common good. Concern for the health of its citizens requires that society help in the attainment of living-conditions that allow them to grow and reach maturity: food and clothing, housing, health care, basic education, employment, and social assistance. (*Catechism of the Catholic Church, 2288*)
- ★ The essential purpose of health care is to promote and safeguard the well-being of those who need it...that the weak and those who seem unproductive to the eyes of a consumer society have an inviolable dignity that must always be respected, and that health care should be available as a right to all people without exception, (*Pope John Paul II, Letter to the President of the Pontifical Council for Pastoral Assistance to Health Workers*)
- ★ It is appropriate...to call attention to the significant impact that public policy has on health care in our society. The government, working for the common good, has an essential role to play in assuring that the right of all people to adequate health care is protected. The function of government reaches beyond the limited resources of individuals and private groups. Private agencies and institutions alone are unable to develop a comprehensive national health policy, or to ensure that all Americans have adequate health insurance, or to command the vast resources necessary to implement an effective national health policy. These functions are in large part the responsibility of government. (*USCCB, Health and Health Care*)
- ★ Remuneration is the most important means for achieving justice in work relationships. The just wage is the legitimate fruit of work. They commit grave injustice who refuse to pay a just wage or who do not give it in due time and in proportion to the work done. (*Compendium of the Social Doctrine of the Church*)

Resources

- ★ **Catholic Campaign for Human Development** (USCCB) (www.PovertyUSA.org)
- ★ **Catholic Health Association of Texas** (www.CHATexas.org)
- ★ **Texas Department of State Health Services** (www.dshs.state.tx.us)
- ★ **Texas Health and Human Services Commission** (www.hhsc.state.tx.us)
- ★ **Catholic Charities USA** (www.CatholicCharitiesUSA.org)
- ★ **Catholic Health Association** (US) (www.CHAusa.org)
- ★ **CHIP Texas Health and Human Services Commission** (www.chipmedicaid.org/)
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Physicians and other health care providers that accept patients with CHIP and Medicaid are reimbursed at a lower rate for the same care that they provide for patients with other health insurance plans. This has led to a decrease in the number of physicians accepting CHIP and Medicaid. We support access to quality health insurance and just wages for work, and therefore advocate for adequate reimbursement for CHIP & Medicaid providers to encourage physicians to start or maintain participation in these vital programs which provide healthcare to the poor.

Provider Payment Data from the Texas Department of Health and Human Servicesⁱ

- Beginning in fiscal year 2004, provider payment rates for Medicaid were reduced: 2.5 percent for physician and professional services and 5 percent for inpatient hospital services.
- Rates have not been increased for some services in over 10 years.
- Inadequate Medicaid rates result in Hospital Medicaid Reimbursement Shortfall. The cost of uncompensated care is passed to the local community through local taxes or private citizens through increased premiums.
- The multiple funding streams of Medicaid hospital reimbursement are intertwined with uncompensated care, community tax burden, insurance premiums, and the number of uninsured in Texas.

Statistics on Physician Participation in Medicaid and CHIPⁱⁱ

- Over the past decade, physicians' practice costs have increased more than 20 percent. Stagnant, inadequate reimbursement not only causes physicians to limit their participation in Medicaid and CHIP, but discourages physicians from modernizing their practices by adopting electronic health records and other technologies that could improve patient care while reducing costs.
- Since 2000, the number of physicians accepting new Medicaid patients has dropped from 67 percent to 38 percent in 2006. This threatens patients' ability to obtain medically necessary services and forces families to rely on expensive emergency rooms to meet basic health care needs.
- An inadequate network of physicians and providers has a significant impact on Medicaid costs and taxpayers by forcing patients to use the ER or to delay care and ultimately be hospitalized. If these services had been provided in alternative settings, the Medicaid program could have reduced its costs by approximately \$82 million. Data from local hospital districts highlight these costs: A preventive visit for diabetes costs \$42 compared with an inpatient stay of \$6,700 (source: Parkland). The average cost to treat an established patient's mild asthma attack in a doctor's office is \$94 - \$103 using oxygen, or a nebulizer and medicine, while the cost of ER treatment is \$9,209 for asthma patient with full symptoms who has to be hospitalized for three days, the average length of stay. (source: Harris County Hospital District). Inadequate Medicaid reimbursement also contributes to higher health care premiums paid by businesses, when costs are shifted to those with employer or private health insurance.
- Physicians tell us overwhelmingly that they support Medicaid and CHIP and recognize the importance these programs in providing care for low-income working families and patients with disabilities or chronic illnesses. Yet, as costs rise and Medicaid payment continues to erode to inflation, many physicians are being forced to make the tough decision to leave the program in order to survive economically.

ⁱ [Texas Medicaid: Where We are and Where We're Going](http://www.hhsc.state.tx.us/news/presentations/111606_MedicaidPolicy.pdf). Texas Health and Human Services Commission. Austin, 2006. <http://www.hhsc.state.tx.us/news/presentations/111606_MedicaidPolicy.pdf>.

ⁱⁱ Baumer, MD., Joannie. "TMA Urged Senate to Ensure Medicaid and CHIP Patients Have a Medical Home." 7 Feb. 2007. Texas Medical Association. <<http://www.texmed.org/Template.aspx?id=5506>>.