



MEDICAL SOCIETY OF VIRGINIA Issue Backgrounder

Medicaid

In recent years, Virginia's challenged budget has threatened the Medicaid program, specifically reimbursements for the critical network of health care providers, including physicians. As the economy has become more strained, so has the Medicaid program, with significantly increasing numbers of enrollees and even more predicted in the coming years.

Given this challenging environment, the Medical Society of Virginia (MSV) is pleased that Gov. Bob McDonnell, the House of Delegates, and the Senate did not include physician reimbursement cuts in their proposed budgets. Current Medicaid reimbursements for physicians and other providers are already below the cost of care. Any reductions put patient access to care at significant risk.

- Low levels of reimbursement do not just impact patients and their access to care, but also have a wider economic impact on the commonwealth. For example, as a result of the three percent Medicaid provider payment cut that was in place from July 1, 2010 to Oct. 1, 2010, 18 percent of Medicaid physician providers who responded to a survey said they were forced to make personnel changes including reducing staffing, compensation and benefits (MSV Survey, Dec. 2010).
- In a 2010 MSV survey, over 90 percent of physician respondents said that their Medicaid patients have difficulty accessing care. Over half said they would have to stop accepting new Medicaid patients if provider rates were cut.

MSV hopes that as Virginia's budget scenario improves, the General Assembly and administration will prioritize health care by supplementing the Medicaid program and continuing to ensure an adequate safety network to care for Virginia's most vulnerable patients.

MSV appreciates that Gov. McDonnell, the House of Delegates, and the Senate have not proposed Medicaid physician provider payment cuts in the budget.

For more information, contact the Medical Society of Virginia's government affairs department by phone at 804 | 343-1185, or visit the MSV Web site, www.msv.org/legislative.

