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Medicaid expansion would fuel doctor shortage

Hundreds of thousands of Ohioans made newly eligible for Medicaid through the health care reform law can begin signing up for coverage on Monday. But the question remains whether enough Ohio doctors will open their doors to throngs of previously uninsured patients expected to flood the tax-funded health insurance program for the poor and disabled.

About 275,000 Ohioans are expected to apply for Medicaid coverage next year as a result of Gov. John Kasich's decision to put expansion up for a vote before the state Controlling Board. The legislative oversight panel voted on Oct. 21 to allow the state Department of Medicaid to accept \$2.56 billion in federal funds made available by the Patient Protection and Affordable Care Act for expansion.

The board's authority has been challenged before the Ohio Supreme Court, which is expected to make a decision by the end of the month. But state Medicaid officials say they're proceeding as planned with new enrollment through their online system at www.benefits.ohio.gov.

"There has been no temporary restraining order issued. Therefore, work has continued accordingly while the legal challenge is being considered," according to a statement from the Medicaid office.

Local hospitals and public health officials have embraced the Medicaid expansion as a way to provide health coverage to those who would otherwise fall through the cracks.

Medicaid previously limited eligibility in Ohio to children, the disabled and parents of dependent children who earned just under 100 percent of the federal poverty level, or about \$11,000 a year. Expansion raises the income eligibility limit to 138 percent of the poverty level — \$15,856 for an individual or \$26,951 for a family of three — and includes single, childless adults who are expected to comprise the lion's share of new enrollees.

Impact on care

Still, expanding Medicaid is no panacea, and a shortage of primary care doctors is expected to block access to care for many newly insured Medicaid patients.

The Association of American Medical Colleges estimates shortages of primary care physicians could reach as high as 66,000 by 2025 as a result of more Americans seeking health services once they become insured under the Affordable Care Act.

In Ohio, about one in 10 residents live in a Health Professional Shortage Area — designated as having shortages of primary medical care, dental or mental health providers, according to the U.S. Department of Health and Human Services.

In some cases, nurses and physician assistants will help treat newly insured patients. But there simply aren't enough primary care doctors entering the field to keep pace with the demand, said Dr. Gary LeRoy, associate dean for student affairs and admissions at Wright State University Boonshoft School of Medicine.

"Time is one of the biggest challenges," LeRoy said. "Medicaid expansion is happening now; it's not happening five years from now. And the educational process doesn't happen overnight.

"Even though medical schools and nursing schools have increased class sizes, it's a four-year process and then a minimum of three years of residency training for family medicine and primary care doctors comes after that," he said. "These are the doctors we need now, and they're just not there."

Many doctors with existing practices are already reluctant take on new Medicaid patients. According to a recent survey from the The National Center for Health Statistics, only two out of three primary care physicians were willing to accept new Medicaid patients in 2011.

Will doctor's participate?

Medicaid payments are one the main concerns for primary care physicians who have shut their doors to new patients, according to Tim Maglione, a lobbyist for the Ohio State Medical Association.

In Ohio, Medicaid pays physicians between 30 percent and 35 percent of what private insurance and Medicare pay for same services, Maglione said. Nationwide, Medicaid physician payments averaged 58 percent of that for private insurance and Medicare, according to the Centers for Medicaid and Medicare Services.

"Reimbursement rates have to be adequate to be able to fully run your practice," Maglione said. "If reimbursements aren't sufficient, doctors won't participate."

The health care law increased rates for primary care physicians for this year and next year. But the two-year bump is temporary and doesn't apply to many of the specialists to which primary care doctors often refer their patients. Ultimately, it will be up to the Medicaid managed care companies administering the program for the state, including Dayton-based CareSource, to entice primary care doctors to join their managed care networks, Maglione said.

"It all goes back to the insurance industry," he said. "They're getting paid an awful lot of money to run this program, and one if the requirements is that they have an adequate network of providers for their Medicaid enrollees.

"It will be incumbent upon these insurance companies to put together a business relationship with providers that makes sense," he said. "It has to be a two-way street."

In addition to compensation, Medicaid insurers must also find ways to

mitigate increased administrative costs that doctors will assume if they take on new Medicaid patients.

"We have five Medicaid insurance companies in Ohio, and they all process claims differently," Maglione said. "If you can get more uniformity in the way the insurance companies work, that will help reduce some of the costs on the administrative side."

A tough spot

Expanding the Medicaid safety net has been decried by some as handout to the poor and needy at taxpayers' expense. The government has promised to fully fund expansion for the first three years, before dropping its contribution to 90 percent in subsequent years, leaving Ohio taxpayers on the hook for the difference.

Greg Lawson, a policy analyst at The Buckeye Institute for Public Policy Solutions, noted in a report early this year that Medicaid spending already accounts for nearly a third of the state budget, and expanding the program will simply transform "a limited safety net program into a vast welfare program, which is likely to become entrenched, to cost huge sums, and to serve enrollees less well than the alternatives."

But many of those benefiting from expansion have not other alternative, including a new wave of beneficiaries who have been recently laid off from well-paying jobs or forced into early retirement as a result of the economic downturn and sluggish recovery, said Dennis Sullivan, a Miami University economics professor who teaches classes on income distribution and poverty.

Only about 63 percent of Ohioans now get their insurance through a job, down from 77 percent in 2000, according to this year's Employer Health Benefits Survey from the Henry J. Kaiser Family Foundation.

"Think about the recession," Sullivan said. "How many people lost their jobs? Of those, how many returned to jobs that are part-time? If these folks are left without employer-subsidized health insurance, they are in a really tough spot."