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Alabama Chapter



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Alabama Medicaid Cut to Physicians Will Endanger Patient Care

JULY 7, 2016 | MONTGOMERY – The Alabama Medicaid Agency and Gov. Robert Bentley announced a devastating cut to primary care physicians (pediatricians, family physicians, and other physicians) effective Aug. 1, which will make access to care more difficult for Medicaid patients and could force them to leave the program. The proposed cuts translate to an average of 30 percent reduction in payment for basic care.

According to Medicaid Commissioner Stephanie Azar and Gov. Bentley, this will be the first of many cuts to Medicaid fees and services unless additional funding is found to fill the \$85 million budget gap left by the Alabama Legislature during its Regular Session.

The announced cut would eliminate the primary care “bump,” which was originally a provision of the Affordable Care Act requiring states to raise Medicaid primary care payments to make them comparable with those of Medicare. The provision was implemented to increase access to primary care services. The federal government subsidized the increase in 2013 and 2014, and Alabama was one of 16 states to continue the fee increase...until now.

“Alabama already runs the most bare-bones Medicaid program in the country,” said Medical Association of the State of Alabama Executive Director Mark Jackson. “This cut is more than disappointing. It’s dangerous. With more than half the births in Alabama and 47 percent of our children covered by Medicaid, as well as 60 percent of Alabama’s nursing home residents, Alabama’s Medicaid program could easily collapse, leaving these individuals without coverage. I noticed in his statement yesterday the governor said his goal was to save the Regional Care Organizations. However, I feel as though this logic is backwards. This cut will most likely perpetuate the demise of the RCOs by inhibiting their ability to get physicians to participate in the Medicaid program.”

While cutting the primary care bump is expected to save Alabama Medicaid \$14.7 million, Alabama’s physicians are looking to the governor and the Legislature to solve this problem for the sake of their patients.

“The Medicaid program takes care of children, the elderly and the disabled, and the program itself is sorely misunderstood,” said Montgomery pediatrician Cathy Wood, M.D, president of the Alabama Chapter-American Academy of Pediatrics. “I look at these families, and I know what’s going to happen next. It’s not good. It’s like having a car with no gas. Our legislators need to understand that every one of their districts will be impacted by these cuts.”

According to Dr. Wood, Medicaid’s cuts will be felt across the board, not only in the health of the patients, but also with the staff employed by the physician. She stated that in a survey of Alabama pediatricians close to 30 percent of respondents said they would have to lay off staff members should this cut become reality.

“We practice medicine with an altruistic heart because the rewards are tremendous,” Dr. Wood said. “No price tag can be placed on that. However, this cut will make it extremely difficult to keep the doors of many practices open. With Medicaid funding, physicians provide jobs for individuals in our communities. If we cannot sustain our community health care systems, we’re going to be in serious trouble in areas where access to care is already a tenuous situation at best.”

Alabama’s physicians fulfill a vital role in the state’s economy by supporting 83,095 jobs and generating \$11.2 billion in economic activity, according to a report released by the Medical Association and the American Medical Association.

Childersburg family physician Jarod Speer, M.D, president of the Alabama Chapter of the American Academy of Family Physicians, agreed with Dr. Wood that the announced cut will make the practice of medicine in rural settings even more challenging, possibly forcing practices to close under the overwhelming financial burdens caused by the cut.

“I don’t want to stop taking Medicaid because I have an obligation to my community,” Dr. Speer said. “I still want to see my patients, so I’ll have to find other ways to make cuts in my practice. I’ve been here for eight years, and I appreciate that my patients have put their trust in me. I just wish Medicaid would make it easier for me to see my patients.”

Dr. Speer said that some of his fellow family physicians will be forced to stop seeing Medicaid patients or limit the number of patients they see.

“Obviously that’s going to limit access to health care in our rural areas where we already have a physician shortage,” Dr. Speer added. “We don’t need any more barriers to health care.”

Alabama’s more than 11,200 licensed, practicing physicians call upon Gov. Bentley to use whatever means at his disposal to find a permanent revenue solution to fully fund Medicaid and ensure no further cuts are made to the Medicaid program. Physician practices, nursing homes and hospitals are among the economic engines driving many Alabama communities. Closure of these health care providers will have a devastating impact on the State of Alabama and the health and prosperity of its citizens. The ripple effect will be felt statewide.

We strongly believe that Medicaid matters ... to all Alabamians. No resident should be left without access to health care.

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