

# DHHS FY 16/17 Budget Initiative: Primary Care Reimbursement

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Access to primary care is the foundation on which our healthcare delivery system is built. Early education, prevention, and treatment reduce the inappropriate utilization of the Emergency Department (ED), preventable admissions and repeat admissions to the hospital. Maine has been a pioneer in the support of primary care and DHHS looks to continue this work during the 16-17 biennium.

Under the ACA, states were afforded temporary assistance to increase the rates of reimbursement to primary care physicians, including Nurse Practitioners and Physician Assistants who billed under an eligible primary care physician. Independently practicing Nurse Practitioners and Hospital-Based Physicians were excluded from this provision under the Affordable Care Act. This enhanced funding ended on 12/31/14. This proposed initiative seeks to maintain the commitment for enhanced reimbursements to primary care physicians and also includes Hospital-Based Physicians and independently practicing Nurse Practitioners (NP). In Maine, there are approximately 6,200 licensed providers, representing family medicine, pediatrics, and general practitioners, as well as surgeons, eye doctors, dermatologists, and more. Of these 6,200, we anticipate over 3,200 providers are delivering primary care services and will benefit from the enhanced primary care reimbursement continuation or increase.

**The impact of the enhanced federal reimbursement rate is significant. For example, below is the reimbursement for a 25 minute physician office visit:**

- Prior to enhanced funding @ 70% of 2009 Medicare Fee Schedule: **\$49.51**
- Enhanced reimbursement rate @ 100% of the current Medicare Fee Schedule: **\$105.44**

## Initiative

This initiative provides funding to replace expiring federal funds to support primary care reimbursement as implemented by the ACA. In addition, it adds previously excluded hospital-based providers and independently practicing nurse practitioners.

1. Continues enhanced reimbursement for approximately 540 primary care providers as established under the ACA.
2. Provides funding to hospital-based providers, NP's and PA's excluded under the ACA. Approximately 2,700 providers that will benefit from this expanded initiative. **Increasing the rate for hospital based providers is contingent on the elimination of cost settlement for hospital based providers.** For more information, please see the fact sheet entitled "Physician Rate Parity."

## Request for funding

Year	State	Federal	Total
SFY 16: continuation of enhanced reimbursement	\$2,992,924	\$5,020,309	\$8,013,233
SFY16: inclusion of hospital-based providers	\$4,455,569	\$7,449,929	\$11,905,498
<b>Total SFY 16 Request</b>	<b>\$7,448,493</b>	<b>\$12,470,238</b>	<b>\$19,918,731</b>
SFY 17: continuation of enhanced reimbursement	\$2,977,173	\$5,036,060	\$8,013,233
SFY17: inclusion of hospital-based providers	\$4,431,979	\$7,473,519	\$11,905,498
<b>Total SFY 17 Request</b>	<b>\$7,409,152</b>	<b>\$12,509,579</b>	<b>\$19,918,731</b>