



**Nevada State
Medical Association**

Advocates for high quality care since 1875

NEVADA STATE
LEGISLATURE

Nevada Medicaid: Physician Perspectives

Presentation to Nevada Patient
Protection Commission
July 19, 2024

Nevada State
Medical Association

Established in 1875, NSMA's mission is to advocate for high quality healthcare for ALL Nevadans.



About the Nevada State Medical Association

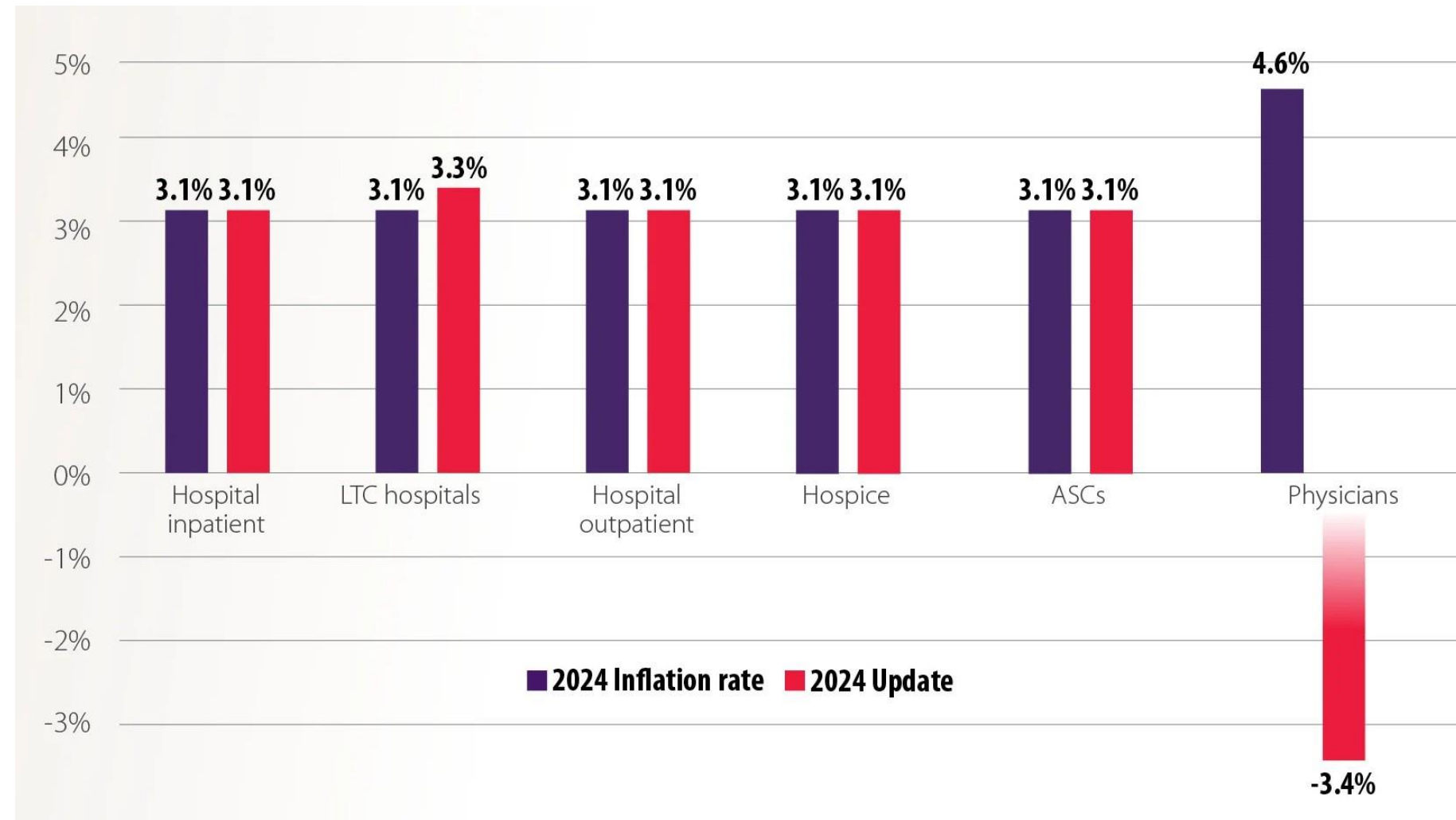
As the state's oldest and largest physician advocacy organization, the NSMA represents physicians at the state, federal and local levels of government, and before the United States Congress and the Nevada Legislature and prioritizes elevating access to quality care for patients.

www.nvdoctors.org



Medicare

According to the AMA, as one of the few Medicare providers without a payment update tied to inflation, **physicians** have watched their inflation-adjusted payments decline **26%** from 2001 to 2023.



According to the AMA, the Medicare physician payment system lacks an adequate annual physician payment update, unlike those that apply to other Medicare provider payments. A continuing statutory freeze in annual Medicare physician payments is scheduled to last until 2026, when updates resume at a rate of 0.25% per year indefinitely, well below inflation rates.

Medicaid

Medicaid payments have a direct resulting impact on access to providers.

Closing the gap in payments between Medicaid and private insurers would reduce more than two-thirds of disparities to access for adults and eliminate disparities for children.

-The Impacts of Physician Payments on Patient Access, Use, and Health, Alexander and Schnell, National Bureau of Economic Research Working Paper (2019)

CPT Code 99211

OFFICE/OUTPATIENT EST PT MAY NOT REQ PHYS/QHP

Commercial Insurance Pays*	\$32.56
Medicare Non-Facility Pays	\$23.42
NV Medicaid Pays	\$9.90
Utah Medicaid Pays	\$16.62

CPT Code 99213

OFFICE/OUTPATIENT ESTABLISHED LOW MDM 20-29 MIN

Commercial Insurance Pays*	\$127.36
Medicare Non-Facility Pays	\$91.15
NV Medicaid Pays	\$35.79
Utah Medicaid Pays	\$66.08

CPT Code 99214

OFFICE/OUTPATIENT ESTABLISHED MOD MDM 30-39 MIN

Commercial Insurance Pays*	\$179.55
Medicare Non-Facility Pays	\$128.90
NV Medicaid Pays	\$52.74
Utah Medicaid Pays	\$93.42

Payment data from NV Medicaid Access to Care Monitoring Review Plan 2024

*Payment data from example physician practice

Physician Practices Struggle with Rising Costs

In 2023, a poll by the Medical Group Management Association found that 89% of medical groups showed increased operating costs. It showed that on average operating costs rose 12.5% overall.

While physician reimbursement rates remain suppressed, independent physician practices, operating as small businesses, have seen their overhead costs continue to rise.

Fixed Overhead Cost

- Building Occupancy
- Utilities
- Insurance

Employee Wages

- Office Staff Salaries & Benefits
- Midlevel Staff Salaries & Benefits

Medical Professional Liability Insurance

- According to the AMA, in 2021-2022, some Nevadan Physicians experienced increases as high as 10.1%
- With passage of AB404, we expect rates to increase in Nevada

EMR Systems and Facility Equipment

- Electronic Medical Records Programs
- IT Security
- Practice Medical Equipment
- Drugs and Durable Medical Equipment



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Administrative Burdens

Researchers found that providers run into more **obstacles** when trying to bill Medicaid than they do with other insurers, and that these administrative hurdles explain the access problems experienced by Medicaid patients as much as the program's payment rates. -A Denial A Day Keeps the Doctor Away, Dunn et al (2023)

Reduce **Prior Authorization** Challenges: Prior Authorization reform is the single most requested administrative fix. Physician practices are experiencing:

- Cumbersome prior authorization process
- Complex and distinct prior authorization processes among Medicaid FFS and the four Medicaid MCO's
- Corporate Practice of Medicine- Prior Authorization denials by non-physicians for patient care



Physician Practice Challenges

- Network adequacy and ability to join panels
- Non-uniform credentialing process for Medicaid FFS and the 4 MCOs.
- **Credentialing process** is cumbersome, protracted and ambiguous.
- **Delayed payments** in Medicaid
- Certain specialties, like OB/GYN, do not receive payment until the end of their term of care, which is 9 months
- Higher rates of **claim denials** for Medicaid versus Medicare or commercial insurance
- Inability to get patients appropriate work-ups because other providers do not take Medicaid or their wait times are very long
- Difficulty getting patients resources, like braces, physical therapy, or even their medications
- Difficulty getting patients their **medications**, including generic drugs, pain medications after surgery
- Medicaid Patient Population lacks **social services support**, such as transportation, care coordination, smoking cessation, etc.
- Practices experience higher rates of **no-shows**, rescheduling and cancellations with Medicaid patients.



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Challenges for Medicaid Patient Population

- Medicaid patients lack the social services support needed to participate in their care and navigate a complex system, such as transportation, patient management, appointment reminders, etc.
- Patients experience long wait times to see a physician
- Patients are unable to find primary care or specialists
- Patients may experience medical complications due to extended wait times



Medicaid Challenges for Patients, Physicians and our Community

- Patients receive delayed care- making their care more complicated and expensive
- With low Medicaid reimbursement rates, the state is unable to attract and grow the physician workforce
- If they cannot cover costs, physician practices can close, further exacerbating the physician shortage in Nevada
- Physician practices have significant economic impact- inability to grow and retain our physician workforce negatively impact our economy





Conclusion

NSMA and our physician members prioritize increasing access to quality health care for all Nevadans. We ask Nevada Medicaid to prioritize the following:

Increase Medicaid Reimbursement Rates

Higher Medicaid reimbursement rates have a direct correlation to access of care for patients.

Ease Administrative Burdens

Prior authorization should be reformed, simplified and streamlined to ease administrative burdens on physician practices. Also, simplification of Medicaid licensing and credentialing would ease physician frustrations. These changes would have a positive impact on the number of physicians participating in Nevada Medicaid.



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