

## HEALTH CARE OVERHAUL

12:00 AM CDT on Saturday, March 20, 2010

By DAVE MICHAELS / The Dallas Morning News  
[dmichaels@dallasnews.com](mailto:dmichaels@dallasnews.com)

WASHINGTON – The House's health care bill would treat a chronic problem with Medicaid in [Texas](#): low payments to physicians who treat patients covered by the public insurance program for the poor.

The package unveiled Thursday would provide full federal funding to raise Medicaid physician payments to a level equal with Medicare, the government insurance for the elderly and disabled. The measure is meant to ensure that physicians treat all the new Medicaid patients who would enter the health care system.

But the higher reimbursements would apply only to primary care physicians, not specialists, and states could lower the rates to save money later.

Supporters say the provision still represents a major opportunity to provide meaningful coverage through Medicaid. The bill would expand Medicaid for as many as 1.3 million uninsured Texans.

"Right now, we think this bill goes a long way to ensure better access to primary care for those on Medicaid," said J. James Rohack, a Texas physician and president of the [American Medical Association](#), which announced its support for the legislation Friday.

Advocates say Medicaid patients, who number about 2.9 million in Texas, often grow sicker while hunting for a doctor willing to see them. State health officials say the shortage is most acute among specialists.

[Dallas](#) ranks last among 15 major cities in the rate of physicians who accept Medicaid, according to a study by Merritt [Hawkins](#) & Associates, an Irving-based health care consulting and recruiting company.

Under the bill, which the House is scheduled to consider Sunday, the federal government would fund the cost of expanding Medicaid to cover people who earn less than 133 percent of the federal poverty level, or about \$22,000 for a family of four. States would have to cover part of those costs starting in 2017, with their share maxing out at 10 percent after 2019.

Those newly eligible for Medicaid would gain coverage beginning in 2014. The higher doctor payments would start in 2013, in order to encourage more physicians to accept Medicaid before the expansion begins, said Edwin Park, a senior fellow at the [Center on Budget and Policy Priorities](#) in Washington.

However, the higher payments would only be required until 2014.

Some analysts already foresee problems with that. States could lobby [Congress](#) to continue to fund Medicaid at higher rates, which would balloon the federal government's costs. States facing budget deficits could cut back Medicaid rates soon after the program expands.

"This would be a very short-term fix to the problem," said Arlene Wohlgemuth, executive director of the Texas Public Policy Foundation, a conservative think tank in Austin.

"My opinion is they [state lawmakers] would have no choice but to reduce it back down, which would only hurt Medicaid patients," she said.

For adult patients, Texas currently pays Medicaid providers about 76 percent of Medicare rates, according to the Texas Health and Human Services Commission. The state pays 80 percent of Medicare rates for children on Medicaid. Medicare rates are lower than what private insurance pays.

Texas estimates the Medicaid expansion would cost the state \$9.3 billion over 10 years, according to the latest commission estimate.

Some health care experts think fewer newly eligible beneficiaries would sign up for Medicaid than the state assumes – thus Texas' costs would be lower. One reason is because the legislation doesn't penalize low-income individuals who choose to remain uninsured.

Gov. [Rick Perry](#), Lt. Gov. David Dewhurst and Texas House Speaker Joe Straus reiterated their opposition to the legislation Friday. In a letter to Texas' congressional delegation, the trio wrote that "government programs should not be the first place we look to expand coverage."

Breaking with the AMA, the Texas Medical Association also opposes the House bill.

All of the state's [Republican](#) members of Congress probably will oppose the legislation. One of the state's 12 [Democrats](#) has announced his opposition.