



December 20, 2012

The Honorable Max Baucus
Chair
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Orrin Hatch
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Hatch,

The undersigned organizations write to urge you to protect low-income older adults' health care access by preserving scheduled payment increases for primary care services paid for by Medicaid.

In a few weeks, CMS will implement a final rule¹ requiring state Medicaid agencies to reimburse physicians at Medicare rates for primary care services for two years. We ask you not to support any proposal to roll back the payment increase for primary care providers as it may undercut efforts to improve access to care for dual eligible individuals.

As you know, low Medicaid payment rates have a particular impact on dual eligibles (low-income Medicare beneficiaries who also qualify for Medicare). State Medicaid programs cover Medicare cost sharing for dual eligibles, including "partial duals" who are Qualified Medicare Beneficiaries (QMB-onlys). States are permitted, however, to limit these payments to what Medicaid would pay for the same service. As a practical matter this means that states rarely pay the cost sharing for dual eligibles, thus decreasing the incentive for Medicare providers to see them.² Instead of having access to all the same network of Medicare providers available to middle class and higher income Medicare beneficiaries, dual eligibles are often restricted to a subset of providers that are willing to accept a lower payment. The January 1 payment increase is an important step toward ensuring that dual eligible individuals have the same choice of providers afforded to other Medicare beneficiaries.

We appreciate the Committee's commitment to protecting and improving care for dual eligible individuals. As discussed in last week's hearing on the dual eligible demonstrations, improving care for this vulnerable population is a bipartisan goal.

We hope you will continue to seek ways to improve access to primary care for dual eligibles, and oppose the elimination or reduction of the Medicaid primary care payment increase.

Sincerely,

Center for Medicare Advocacy, Inc.
Medicare Rights Center
National Committee to Preserve Social Security and Medicare
National Council on Aging
National Health Law Program
National Senior Citizens Law Center

¹ 42 CFR Parts 438, 441, and 447.

²See Janet B. Mitchell and Susan G. Haber, "State Payment Limitations on Medicare Cost-Sharing Impacts on Dually Eligible Beneficiaries and Their Providers" (July 2003), available at www.rti.org/abstract.cfm?pid=1203.

