



NEW JERSEY CHAPTER

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Fiscal Year 2006 – Budget Issue Proposed Medicaid Co-Pay

Background:

Medicaid reimbursement to New Jersey emergency physicians is one of the lowest in the country. The rates increased slightly in 2002, after over 20 years of no increases. Since 2002, the reimbursement rates have not been increased.

Budget Proposal:

Medicaid is proposing overall savings to the program of \$28.5 million in FY 2006 (total program costs equal \$2.2 billion). One of the proposed savings components will be generated with a \$3.00 co-pay to all Medicaid enrollees for physician visits.

**Physicians are unable to deny services if the co-pay is not paid.
And physicians cannot demand payment.**

Patients should not be deterred from seeking medical attention – either in the emergency department or in a physician's office The inability to pay the co-pay may impede or delay care.

EMTALA mandated emergency medicine services require emergency physicians to provide a Medical Screening Examination to all patients who present to a dedicated Emergency Department regardless of their ability to pay. Emergency physicians, by federal EMTALA mandate, are unable to even inquire about payment for emergency services.

Because of this federal mandate, emergency medicine physicians are unable to require a co-pay and consequently, should be carved out from any co-pay mandate. If the co-pay is applied to emergency physicians, this will result in a reduction of reimbursement to emergency physicians below rates that are already the lowest in the nation. This is untenable in the already challenged emergency department environment.

Emergency physicians have first hand experience in Pennsylvania, for example, when an emergency department receptionist was held at gunpoint while attempting to secure a co-pay.

Medicaid will reduce the already-low physician reimbursement by \$3.00....regardless of collection ability by the physician. Medicaid plans to reduce the reimbursement on July 1, 2005 (assuming the budget passes with this proposal), yet communication to both the physician and Medicaid enrollees will be confusing and limited prior to July 1.

Physicians who agree to accept Medicaid are decreasing rapidly. There are counties, for example, where no orthopaedic surgeons accept Medicaid. These proposed cuts in reimbursement would only exacerbate an already fragile and shrinking health care delivery system. Further, patients may defer or delay care because of their inability to pay the co-pay.

Recommendation:

- 1. Eliminate the co-pay requirement to all emergency department and urgent care visits.**

There is precedence among states that require a Medicaid co-pay. In New York, for example, the Medicaid co-pay does not apply (among other categories) to "all emergency services and items delivered by all providers; emergency room visits or urgent care..."

For more information, please call Beverly Lynch at NJ-ACEP (609-392-1213).