

Primary Care Fee Reduction

Starting January 1, 2015, there will be three reductions to primary care practices' Medicaid reimbursement for E&M and vaccine procedures:

- **The sunset of the temporary 100% of Medicare reimbursement for eligible procedures (a provision of the Affordable Care Act)**
- **The 3% rate reduction from the 2013 NCGA Session**
- **The 1% rate reduction from the 2014 NCGA Session**

Background

Prior to 2009, the NC Medicaid reimbursement rate for physicians was roughly 95% of the Medicare rate. In 2009, the North Carolina General Assembly froze the rates they paid to physicians and other Medicaid providers. Over the next few years, most Medicare E&M reimbursement rates increased while the NCGA cut some rates and withheld inflationary increases. The result is that current reimbursement rates for NC physicians are less than 95% of the Medicare rate (excluding ACA eligible procedures).

2015 Rate cuts affecting Primary Care Physicians

The NC Medicaid rates for E&M and vaccine procedures will decrease to roughly 76% to 84% of the Medicare rates after the ACA payments sunset and the 3% and 1% rate cuts are implemented.

As a result, a physician currently receiving 100% of the Medicare rates¹ will see a 16% to 24% reduction in certain E&M and vaccine procedure codes for services rendered after January 1, 2015. See Table 1 for examples of 2015 revised rates, including the ACA reductions and DMA rate cuts.

Providers in Federally Qualified Health Centers, Rural Health Centers, and local health departments will not be affected by the ACA reduction in rates as they were never eligible for Medicare parity rates. Similarly, these providers will not be affected by the DMA rate cuts of 3% and 1%.

The NC Academy of Family Physicians (ncafp.com) and NC Pediatric Society (ncped.org) are working to mitigate these reductions at the national and local level. To provide feedback and learn more about these efforts, physicians can contact NCAFP and NCPS through their websites.

Table 1: Examples of E&M service reimbursements in 2015

CODE	Rates being paid to Primary Care Physicians through 12/31/14		New rates with 3% and 1% NC DMA cut + ACA Medicare parity expiration, effective 1/1/15			
	Hospital Based	Non Hospital Based	Hospital Based	Non Hospital Based	Hospital Based Medicaid Rate as a % of Medicare Rate	Non-Hospital Based Medicaid Rate as a % of Medicare Rate
99211	\$ 9.10	\$ 19.15	\$ 7.62	\$ 16.16	83.8%	84.4%
99212	\$ 24.73	\$ 41.82	\$ 20.30	\$ 32.18	82.1%	76.9%
99213	\$ 50.24	\$ 70.34	\$ 39.73	\$ 53.72	79.1%	76.4%
99214	\$ 77.18	\$ 103.98	\$ 61.46	\$ 80.94	79.6%	77.8%
99215	\$ 108.68	\$ 139.51	\$ 87.26	\$ 109.47	80.3%	78.5%

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¹ Physicians were only eligible to receive the temporary 100% reimbursement if they attested that they met certain criteria. Several criteria needed to be met, including that over 60% of their revenue came from the eligible E&M and vaccine codes. See <http://www.medicaid.gov/AffordableCareAct/Provisions/Downloads/Q-and-A-Managed-Care-Increased-Payments-for-PCPs.pdf> for additional information.