

VMS RESOLUTION
MEDICAID REIMBURSEMENT

Passed at VMS Annual Meeting, October 26th, 2002

WHEREAS, The Vermont Medicaid Program is the largest payer of health benefits to Vermonters and Medicaid eligibility has been expanded substantially so that the program now covers some Vermonters with above-median income;

WHEREAS, The Medicaid program severely underpays Vermont physicians and in many cases pays physicians substantially less than their overhead costs;

WHEREAS, Vermont physicians have historically demonstrated a high degree of commitment to the health of their communities, and despite inadequate reimbursement levels, Vermont physicians have an extremely high level of Medicaid participation;

WHEREAS, Vermont physicians have been asked to shoulder the additional administrative burden of implementing the Medicaid preferred drug list by changing their patients' drugs to preferred drugs or obtaining prior authorization for their patients

WHEREAS, Medicaid co-payments for physician services were increased from \$2 to \$7 and the cost of billing for an unpaid co-payment generally exceeds the amount of the co-payment;

WHEREAS, A substantial number of Medicaid co-payments are not paid and, in effect, the co-payment increase further decreases Medicaid physician reimbursement;

WHEREAS, Adequate cost-of-living increases for physicians have not been included annually in the Medicaid budget;

WHEREAS, Vermont physicians have consistently supported increasing the tobacco tax and advocated successfully for an increase in the tobacco tax effective in FY '03 and FY'04; therefore be it

RESOLVED, That the Vermont Medical Society, urges the Administration and Vermont General Assembly to take the following actions to stabilize and ensure the sustainability of the Vermont Medicaid program:

?? Include annual cost of living adjustments covering inflation for physicians in the Medicaid budget;

?? Create a plan to increase Medicaid reimbursement to establish parity with national average Medicare;

?? Reduce the Medicaid co-payment from \$7.00 to \$2.00.