



Hospital clinic payment reductions

# Cuts Threaten Access to Care for Low-Income Patients

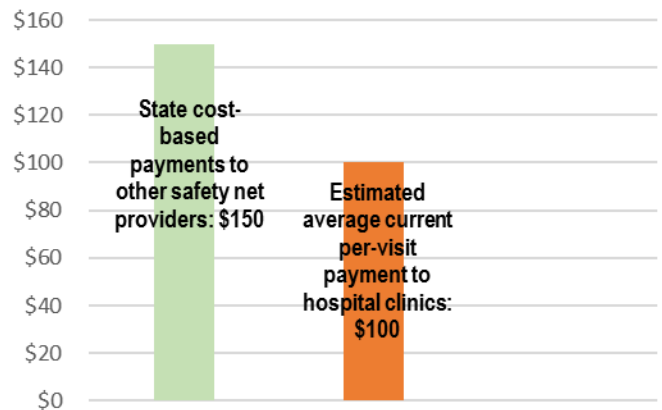
In many communities, the hospital and its clinics are the main or only provider of primary and/or specialty care for Medicaid and Medicare patients. This is particularly true in communities with high proportions of underserved patients, or where independent clinics limit or turn away Medicaid and Medicare patients due to low payment rates.

**Cutting payment rates for hospital-based primary and specialty care clinics would harm access to care for vulnerable populations, drive patients to unnecessary emergency room visits, and worsen the state's budget problem in the long run.**

Hospital clinics are a critical source of access to pediatric and adult primary care, as well as specialty and subspecialty services such as cancer care, wound care, nephrology, autism services, and craniofacial surgery. Without sustainable payment levels, the risk is not only that Medicaid patients will be turned away, but that the clinics themselves may be forced to cut back services or close, reducing access to needed care for the entire community, including seniors and commercially insured patients. **Washington State currently has more than 1.8 million residents on Medicaid. Hospital clinics help meet the demand for increased access to care. Washington should be encouraging clinic capacity for both primary care and specialty services for low-income citizens.**

Hospital-based clinics are already paid far less than their cost of providing care, and less per visit than other safety net providers that serve high proportions of Medicaid patients. Hospital-based clinics are often the only option for Medicaid patients to receive specialty services. These clinics are integrated with the hospital, enabling them to serve more complex patients and provide enhanced care coordination for patients with multiple needs. They are also able to provide access to complex patients and specialized services that otherwise would need to be done in the hospital. Hospital clinics typically do not limit their mix of patients and provide care to all who need their services. The proposed cut would reduce payment to an unsustainable rate for facilities

Payments to Hospital-Based Clinics vs. Cost



The state currently pays hospital clinics about two-thirds of the average \$150 it costs to provide a clinic visit. Hospital-based clinic payments help keep clinic services open by paying closer to the actual cost of providing the care.

that provide complex services to high proportions of Medicaid patients. The hospital clinic payment helps offset these under-payments and supports clinic costs to ensure patients with Medicare and Medicaid can get needed health services in their community.

## Overall Medicaid costs may actually increase if access to clinic care is reduced

Hospital clinic payments support the sustainability of primary care and specialty care capacity in a clinic setting. If clinics can no longer take patients with Medicaid, the result may be that patients will delay care and get sicker, or turn to the emergency room instead for needed care. This is a high-cost setting for care, and reduced clinic access may ultimately undermine the progress made to enhance cost-effective care coordination and reduce emergency room usage.

### WSHA position

Medicaid already pays significantly less than the cost of providing clinic services. Hospital-based clinics provide access to critical health care services that are often not available through private physician offices. No cuts should be made to hospital-based clinic payments.