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CMS Proposes Increased Medicaid Payment for Primary Care

By: [Aaron Rabinowitz](#)

On May 9, 2012, CMS issued a proposed rule to implement a provision of the Affordable Care Act which provides increased payments for certain Medicaid primary care services. Under the proposed rule, primary care services delivered by a physician with a specialty designation of family medicine, general internal medicine, pediatric medicine, or related subspecialties would be reimbursed at the Medicare rates in effect for calendar years 2013 and 2014, in lieu of their usual state-established Medicaid rates.

Primary care services must be delivered under the Medicaid physician services benefit to be eligible for the increased payments. Consequently, primary care services rendered by practitioners working under the supervision of a qualifying physician and billing under that physician's Medicaid provider number – a nurse practitioner, for example – would be eligible for higher payment. CMS also clarified in the proposed rule that all of the requirements related to the increased payments apply to services reimbursed by Medicaid managed care plans.

The proposed rule indicates that states would receive 100 percent federal financial participation to cover the increased payments for primary care services. In other words, the increased payments would be paid entirely by the federal government, with no matching payments required from the states. According to CMS, states would receive more than \$11 billion to bolster their Medicaid primary care delivery systems. As Marilyn Tavenner, Acting Administrator for CMS, explained, the proposed rule "will help encourage primary care physicians to continue and expand their efforts to provide checkups, preventive screenings, and other care to Medicaid beneficiaries."

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The proposed rule also provides guidance on identifying eligible providers and services, the implementation of increased payments, and how the policy applies to the Vaccines for Children program. For additional information, the [proposed rule is available here \[PDF\]](#).

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