



## Briefing Document

**Public Notice:** PPACA Medicaid Primary Care and Vaccine Administration Rate Increase

**Effective Date:** January 1, 2013

**Cost Impact:** Estimated \$75,062,644 for FY 2013 (100% Federal Funds)  
Estimated \$150,125,287 for FY 2014 (100% Federal Funds)  
There is no state fund impact associated with the rate increase.

### Background:

In compliance with Section 1202 of the Patient Protection and Affordable Care Act (PPACA) and subject to federal approval by the Centers for Medicare and Medicaid Services (CMS), the Department is proposing to increase certain Medicaid primary care and vaccine administration payments made to designated providers to 100% of the Medicare physician fee schedule in effect as of January 1, 2013 through December 31, 2014. The federal intent of the increase has been reported to be to improve access to primary care by encouraging provider participation in Medicaid. The increase applies to eligible providers billing Georgia Medicaid directly through fee for service and to providers enrolled in the Georgia Families Care Management Organization (CMO) network. The increase is not available for services provided under the PeachCare for Kids Program.

### *Timing and Cost*

Final federal rules for implementing the primary care and vaccine administration rate increase were published in November 2012 - just two months prior to the January 2013 effective date. As a result, the rules allow States additional time to implement the increase. States have until March 31, 2013 to submit their approach in a State Plan Amendment (SPA) to CMS; however, the effective date of the increase will be retroactive to January 1, 2013. Once CMS approves the SPA, DCH and the CMOs will begin reimbursing eligible providers at the increased rates. As a result, the actual availability of the primary care increase will be delayed until Spring 2013.

In addition, the current cost impact estimate for the increase is subject to change based on finalization of the 2013 Medicare rates and further CMS guidance on the payment expected over the next several weeks. While CMS has issued the 2013 Medicare rates they include a substantial cut due to an adjustment to the Medicare Sustainable Growth Rate. This cut has occurred annually for the last several years with Congress ultimately providing the funds necessary to avert the decrease. It is widely expected that Congress will provide funds to avert the cut this year as well. As a result the estimated cost impact could change.

### *Eligible Providers*

Eligible primary care providers are defined as physicians with a specialty designation of family medicine, general internal medicine and/or pediatric medicine, or an associated subspecialty. Physician Extenders, such as physician assistants, nurse practitioners and nurse midwives are also eligible for increased payment for designated services as long as they practice under the supervision of an eligible physician with professional responsibility for the care provided. DCH is currently developing the process for identifying eligible providers and will share this information with providers as soon as it becomes available.

### *Eligible Services and Codes*

The services eligible for the rate increase are billed under the Healthcare Common Procedure Coding System (HCPCS) Evaluation and Management codes 99201 through 99499 and also apply to the administration of vaccines under the Vaccines for Children Program. However, eligible services performed at Federally Qualified Health Centers (FQHCs), Rural Health Centers (RHCs), Public Health Departments and nursing homes are not eligible for the higher payment as the entities are reimbursed on a per diem payment basis.

### *Payment Process*

Eligible providers billing DCH directly through fee for service will receive the rate increase through the typical claims payment process. However, the rate increase for the first few months of CY 2013 will be reimbursed on a retroactive basis once CMS approves the SPA for implementing the increase. SPA approval and the retroactive reimbursement are expected to occur during the Spring of 2013. In addition, DCH is currently working with the CMOs to identify the most efficient and least burdensome reimbursement process for providers participating in the CMOs' networks. Please note that the CMOs will not reimburse the rate increase until directed to do so by DCH which again will be contingent upon the timing of CMS SPA approval.

### *Next Steps*

DCH will be posting additional detail and timelines specific to the Georgia Medicaid process for implementing the primary care rate increase over the next several weeks on the DCH website or the Georgia Health Partnership Web Portal.

