

VMS RESOLUTION MEDICAID REIMBURSEMENT

As amended and passed by VMS Council, October 18th, 2003

WHEREAS, the Vermont Medicaid Program is the largest payer of health care services to Vermont residents in 2001, accounting for 25% of total Vermont Health Care Expenditures ¹; and

WHEREAS, Vermont's Medicaid program is more comprehensive in terms of its eligibility and benefits than other state Medicaid Programs ² and provides coverage to some Vermonters with above-median income; and

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; and

WHEREAS, Vermont physicians continue 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; and

WHEREAS, Vermont physicians increasingly are caring for patients with chronic conditions, who require care coordination and other services, that are not reimbursed by Medicaid; and

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

WHEREAS, adequate cost-of-living increases for physicians have not been included annually in the Medicaid budget; 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 medical inflation for physicians in the Medicaid budget;**
- ?? Increase Medicaid reimbursement to a level that is adequate to cover the costs incurred in providing the care; and**
- ?? Reimburse physicians for developing office infrastructure, providing care management, phone and electronic communications, record keeping and other services needed to implement the preferred drug list and care for patients with chronic conditions.**

¹ *2001 Vermont Health Care Expenditure Analysis*; Department of Banking, Insurance, Securities and Health Care Administration; March 2003

² Id. and Kaiser Family Foundation, State Health Facts Online, <http://statehelathfacts.kff.org/cgi-bin/healthfacts.cgi?>