

Preserving Private Medical Practice Involvement in Community Safety Net Care

By Chris Phillips and Sue Sharpe of the Whatcom Alliance for Health Care Access

The percentage of the population that is uninsured or insured by public programs is growing, while the number of private physicians open to seeing these patients is declining. Private physicians are limiting or closing their practices to Medicaid, Medicare and uninsured patients because:

- Reimbursement rates are significantly below the costs of providing care
- The growing administrative burden associated with serving Medicaid and Medicare patients increases the cost of providing care
- A number of factors, including skyrocketing medical malpractice rates, and declining commercial insurance reimbursements, are making it more difficult for physician practices to absorb the losses associated with participation in the community safety net.

Private physicians are in fact for-profit small businesses. Unlike other small businesses, private physicians are expected to participate in a social contract that calls for them to care for the underserved at rates below their costs and with no recognition of their contribution to maintaining a vital safety net system for our community.

For the last year the **Whatcom Alliance for Health Care Access** has been working on an effort to improve health care access for Medicaid and uninsured patients. Actively participating in this project have been representatives from the major medical groups in Whatcom County, the Interfaith and Sea Mar Community Health Centers, the Whatcom County Health Department, social services agencies, local schools and relevant State agencies. The group has worked collaboratively and conducted extensive research with local providers and consumers to identify the barriers and problems that impact access to care for people who are Medicaid recipients or uninsured.

The Whatcom Alliance is pursuing a two track strategy aimed at 1) improving our local system of care through replicating approaches that have worked in other communities, and 2) submitting a legislative proposal that will make it easier for local communities to preserve the involvement of private medical providers in the community safety net. The focus of this article will be the Alliance legislative proposal being put forth in the upcoming 2005 legislative session. In subsequent articles we will detail specific access improvement projects being initiated by the Alliance in 2005.

The Alliance legislative proposal is titled ***Preserving Private Medical Practice Involvement in Community Safety Net Care***. It seeks to 1) provide a much needed increase in the Medicaid reimbursement rate; 2) reduce the administrative burden to providers; and 3) create incentives for private medical practices to participate in "Safety Net" care. The second part of this legislation proposes paying for a portion of the above outlined improvements with a reallocation of health care provider B&O taxes. In FY 2003 Washington State private physicians paid an estimated \$57 million in state B&O taxes.

The Alliance proposal is backed by a coalition of 13 different communities across the State of Washington called ***Community Connects***. The Whatcom Alliance and *Community Connects* are asking for specific support to improve the Medicaid system and overall access by:

1. Increasing the Medicaid reimbursement rate to providers from 60% to 75% of the Medicare rate.

Although this will be an improvement it is important to realize that Washington State's Medicare rate is one of the lowest in the country, ranking 47th in the nation

2. Reducing the administrative burden of public programs on providers including implementing faster and less expensive electronic billing systems, standardization and simplification of eligibility, referral and claims processing practices, and supporting innovations in chronic care like Pursuing Perfection which improve efficiency and quality.

3. Creating incentives for private medical practices to participate in safety net care such as access to state and federal assistance programs now limited to non-profit community clinics. This would require private physicians to see a minimum % of uninsured and Medicaid patients for eligibility.

4. Recognizing the B&O tax contribution private medical practices make to support the system by redirecting a portion of those funds to support the legislative proposal or providing tax credits to physicians providing needed care for underserved clients.

It is important to acknowledge that successful and sustainable changes in the health care system require the commitment of communities to implement access innovations at the local level, a recognition of the vital role community health centers and private physicians play in providing "safety net" care, coordination of communities from across the state and nation to develop a common agenda and finally the ongoing dialogue between local communities and elected state and national elected officials to support needed change.

For more information on this effort and others to improve healthcare access in Whatcom County contact the Whatcom Alliance for Healthcare Access. Check out our web site at www.whatcomhealthalliance.org or call the St. Luke's Foundation at (360)671-3349 and they will forward your questions or comments.

Chris Phillips is Community Outreach Director for St. Joseph Hospital, a member of the Alliance Steering Committee and chair of the access project. Sue Sharpe is a private consultant and serves as coordinator for the Alliance.