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Peter Fenwick, MD, AMA Alternate Delegate
Jaron Hildebrand, Executive Director*

Dear Members of the Senate:

On behalf of the undersigned specialties, societies and the Nevada State Medical Association (NSMA), the state's largest and oldest organization representing physicians and physician assistants we are offering additional information and a response to the proposed 6 percent reduction to Medicaid and Nevada Check-up reimbursements. The NSMA considers itself a patient advocacy organization first and foremost, and 6 percent rate reduction will, without a doubt, cause harm to those for whom we provide care.

While physicians have a strong sense of responsibility to provide care for Medicaid beneficiaries, physician practices cannot remain economically viable if they lose money on the care they provide. Without an adequate supply of participating physicians, Medicaid beneficiaries may have coverage but not real access to care. Too often beneficiaries must wait for unreasonable periods of time to receive needed care, travel long distances to find Medicaid participating physicians, or go without care altogether. Lack of access to participating physicians puts beneficiaries at higher risk of harm. Medicaid reimbursement rates lag behind private insurance and Medicare, participating physicians remain sparse in many areas of the state, and access to health care services remains unequal, and this leads to less physicians offering services to the state's most vulnerable populations.

A 6 percent reduction to Medicaid rates will further exacerbate access to care issues in Nevada, and we strongly request that you seek additional information as to why health care cuts are necessary while we are still in the middle of a public health crisis with patient volumes notably low, while we also have a grave concern regarding the financial viability of Nevada's health care providers. Based on a recent June 2020 survey, one-in-five (22%) providers could sustain their practice at this level for 2-3 months, and 22% said they could sustain their practice for 4-6 months. 25% could sustain their practice for 10 months or longer.

We know that the state of the economy has caused a spike of nearly 45,000 Nevadans joining the Medicaid roles. However, we also know that utilization of Medicaid services is down significantly, which means spending should be down significantly. We request that you seek additional transparency in current spending and savings prior to implementing the requested cuts.

We know Nevada received approval to opt into the 6.2 percent FMAP increase, yet we have not seen an increase in reimbursement rates, nor has there been transparency into the disbursement of those funds. We would request the legislature request additional information on the FMAP enhancement from the

Division of Health Care Finance and Policy and look to make providers whole using these funds should Medicaid cuts be necessary.

We know that the suggested \$52 million reduction in general fund spending will also result in the loss of approximately \$155 million in federal matching funds...a total loss of \$207 million to Nevada providers. Additionally, the insurance premium tax could also be negatively impacted thus creating an additional shortfall in the state's revenue forecast.

We understand and greatly sympathize with the difficult decisions the legislature must make in the days ahead. Many of our members have been on the front line in responding to COVID-19, and Nevada physicians have been proud to care for those who have fallen victim to the global pandemic. However, access to health care should not be compromised as we remain in a global pandemic, while the amount of federal funds that can be leveraged and brought into the state with a general fund investment cannot be overlooked or ignored. As always, we are ready and available to discuss this letter in greater detail with your membership or staff.

Thank you for your time and consideration.

Sincerely,



Jaron Hildebrand
Executive Director
Nevada State Medical Association

Nevada Chapter of the American College of Emergency Physicians
Nevada State Society of Anesthesiologists
Nevada Oncology Society
Nevada Chapter of the American Academy of Pediatrics
Nevada Chapter of the American College of Obstetricians and Gynecologists
Nevada Psychiatry Association
Nevada Academy of Family Physicians
Nevada Orthopaedic Society
Reno Diagnostic Center