



June 20, 2024

Helene T. Grady
 Secretary
 Maryland Department of Budget and Management
 45 Calvert Street
 Annapolis, Maryland 21401

Laura Herrera Scott, MD
 Secretary
 Maryland Department of Health
 301 West Preston Street
 Baltimore, Maryland 21201

RE: FY 2025 Budget—Medicaid Provider Reimbursement Rates

Dear Secretary Grady and Secretary Herrera Scott:

On behalf of the above-referenced organizations, we remain greatly appreciative of your continued support of the medical community. Specifically, we were greatly encouraged that in Governor Moore's first fiscal year budget for Fiscal Year 2024, Medicaid evaluation and management (E&M) codes were funded at 100% of Medicare. This level of funding signified the Administration's commitment to patient access to care and support for Maryland's medical community. We are seriously concerned, however, about an announcement made at the Maryland Medicaid Advisory Committee that, for Fiscal Year 2025, the State will only be funding the Medicaid E&M payment rates at 98% of Medicare. This reduction of funding is disheartening and represents a threat to access to care for Maryland communities most in need. When Governor Moore introduced the Fiscal Year 2025 budget, it was expressly stated, and the medical community acknowledged, that funding for E&M payment rates was being reduced to 100% of Medicare, resulting from reductions to physician payments on the federal level. However, mid-way through Session, the Centers for Medicare and Medicaid Services (CMS) partially restored the federal reduction, giving way for Maryland to follow suit and also restore part of its reduction.

However, instead of doing so, it now appears that the State is further reducing payments to physicians participating in the Medicaid program and, thereby, reversing years of effort by both the medical community and the State to at least fund Medicaid E&M codes at 100% of Medicare. While we acknowledge the State's fiscal issues, those fiscal issues are not the result of the State paying fair rates for health care services provided under the E&M codes and should not be borne by the medical community and those residents who rely on care through the Medicaid program.

When one considers the impact on communities affected by lack of access to health care services, the conclusion that payment rates must be appropriately funded to ensure physician and practitioner participation is inescapable. Over the last several years, Medicaid enrollment has increased significantly, and socioeconomic inequities and health disparities have recently become even more apparent. Access to proper health care is a key means of addressing these inequities. Ensuring that payment rates are funded at no less than 100% of Medicare will assist the State in recruiting and retaining the physicians and other health care practitioners necessary to ensure access, and especially important in primary care and in rural areas of the State.

It is also important to note that medical practices, which provide services to Medicaid recipients, have been economically impacted by a number of cost drivers. Shortages in the healthcare workforce have resulted in practices having to increase staff salaries and wages. Low payment in the commercial market also has made it even more challenging to recruit and retain Maryland physicians and other health care practitioners. Cumbersome utilization review practices (i.e., prior authorization) increase costs to a practice by requiring them to hire additional support staff. These cost drivers and the time it takes to provide care to patients affect whether a practice can participate in certain programs or with certain payers. Ensuring E&M codes are paid at no less than Medicare will support the ongoing financial viability of those practices and enable them to continue to contract with Medicaid to ensure access to health care services for Maryland's most disadvantaged patients.

For these reasons, our respective organizations strongly urge the State to stay the course and fund E&M code payment rates at no lower than 100% of Medicare as intended when Governor

Moore introduced the Fiscal Year 2025 budget. Thank you in advance for your continued support for the medical community and the patients cared for by us.

Sincerely,

Benjamin Lowentritt, M.D., President

MedChi, The Maryland State Medical Society, including individual county medical societies:

- Baltimore County Medical Association
- Prince George's County Medical Society
- Montgomery County Medical Society
- Baltimore City Medical Society
- Anne Arundel & Howard County Medical Society
- Harford County Medical Association
- Allegany County Medical Society
- Garrett County Medical Society
- Washington County Medical Society
- Cecil County Medical Society
- Caroline County Medical Society
- Talbot County Medical Society
- Queen Anne's County Medical Society
- Wicomico County Medical Society
- Calvert County Medical Society
- Charles County Medical Society
- Somerset County Medical Society
- Dorchester County Medical Society
- Frederick County Medical Society
- St. Mary's County Medical Society
- Kent County Medical Society

Kelly Ryan, DO, FAAFP, President

Maryland Academy of Family Physicians (MDAFP)

Michael C. Bond, M.D., FAAEM, President

Maryland Chapter of the American College of Emergency Physicians (MDACEP)

Ahizechukwu Eke, M.D., Chair

Maryland Section of the American College of Obstetricians and Gynecologists (MDACOG)

Monique Soileau-Burke, M.D., FAAP, President

Maryland Chapter of the American Academy of Pediatrics (MDAAP)

Paul Celano, M.D., FACP, FASCO, President

Maryland/District of Columbia Society of Clinical Oncology (MDCSCO)

Colleen Christmas, M.D., FACP, Governor

Maryland Chapter American College of Physicians (MD ACP)

Melvin Coursey, M.D., Chair, Clinical Governance Board
US Anesthesia Partners – Maryland (USAP)

Chikoti Wheat, M.D., President
Maryland Dermatologic Society (MDS)

Adam Lowy, D.P.M., President
Maryland Podiatric Medical Association (MPMA)

Ramani Peruvemba, M.D., President
Maryland Society of Anesthesiologists (MSA)

Theodora Balis, M.D., President
Maryland Psychiatric Society (MPS)

Enrico Suardi, M.D., President
Washington Psychiatric Society

Mary Ann E. Moore, Executive Vice President, General Counsel & Secretary
Pediatrix Medical Group

Dimitri Cavathas, President
Community Behavioral Health Association of Maryland

L. Anthony Cirillo, M.D., FACEP, Director of Government Affairs
US Acute Care Solutions (USACS)

Lou Bartolo, DNP, MSN, RN, President
Maryland Nurses Association (MNA)

Matthew L. Snyder, M.D., Managing Partner
Associates in Radiation Medicine, PC

Nicholas P. Grosso, M.D., Chairman of the Board & President
Maryland Patient Care and Access Coalition (MPCAC)

John-Paul Rue, M.D., President
Maryland Orthopaedic Association (MOA)

Ashley D. Beall, M.D., Managing Director
Arthritis and Rheumatism Associates, P.C.

Malinda Duke, CPNP-PC, CDCES, Executive Director
Nurse Practitioner Association of Maryland Inc. (NPAM)

Karen Miranda, President
MD Speech Language Hearing Association (MSHA)

cc: Fagan Harris, Chief of Staff, Governor's Office
Eric Luedtke, Chief Legislative Officer, Governor's Office
Jonny Dorsey, Deputy Chief of Staff, Governor's Office
Deputy Secretary Ryan Moran, Maryland Department of Health
Senator Guy Guzzone, Chair, Senate Budget & Taxation Committee (B&T)
Senator Cory McCray, Chair, Senate Health and Human Services Subcommittee (B&T)
Delegate Ben Barnes, Chair, House Appropriations Committee (APP)
Delegate Emily Shetty, Chair, House Health and Social Services Subcommittee (APP)
Senator Pam Beidle, Chair, Senate Finance Committee
Delegate Joseline Pena-Melnyk, Chair, House Health & Government Operations Committee