

Physician Compensation under Medicaid

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In a July 31st article in the Kaiser Health News, it reported that just six states and the District of Columbia will use their own money to **sustain the level of federal Medicaid payment** increase under the ACA to primary care doctors. It also notes that two of the states extending the payment increase are Alabama and Mississippi, states that did not expand their Medicaid coverage. The other states continuing the payment increase with their own funds are Colorado, New Mexico, Idaho and Maryland, as well as the District of Columbia. The States of Alaska and North Dakota have been **paying their primary care doctors** above the Medicare payment rate even before the ACA provisions took effect in 2013. What this means is that the payment rate to primary care physicians for Medicaid will revert back to the 2012 levels, unless the state steps in.

As can be seen in the General Accounting Office Study below, the Medicaid costs in the State of New Jersey were high even before the 2012 implementation. This study is for the fiscal year 2008, a year in which there obviously was not the expanded Medicaid coverage under the ACA nor the bump for primary care under the ACA. (GAO Report to Congressional Requestors, June 2014). There is no reason to believe, with the expanded Medicaid coverage in New Jersey, that the costs are going to move closer to the national average and encourage the Legislature to implement the state funding of the higher primary care Medicaid payments.

In the [GAO report](#), in listing the estimated Medicaid spending per enrollees, their report provides for New Jersey:

<u>All Enrollees</u>	<u>Children</u>	<u>Adults</u>	<u>Disabled</u>	<u>Aged</u>
\$11,612	\$2,758	\$7,908	\$28,393	\$22,817

Compared to the state average of:

<u>All Enrollees</u>	<u>Children</u>	<u>Adults</u>	<u>Disabled</u>	<u>Aged</u>
\$7,847	\$2,973	\$5,497	\$19,135	\$17,609

As we are all aware, while an individual may qualify for Medicaid, that does not ensure that individual access to a health care provider, since the majority of New Jersey physicians do not take Medicaid.

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