Qs &As on the Increased Medicaid Payment for Primary Care
CMS 2370-F (Set VI)

Please explain when salaried primary care providers are eligible for the enhanced payment under section 1202 and whether the employing organization, i.e. a physician group or hospital, may retain any additional payment received pursuant to this provision.

Generally, the purpose of the 1202 payment increase is to directly benefit physicians performing primary care services. In the instance of salaried physicians, including those working for clinics that bill on the Medicaid physician fee schedule, this could come in the form of an increased salary. Alternatively, where there is an employment agreement between the physician and the employing entity, the employment agreement might account for the payment increase by noting that the physician accepts his or her salary as payment in full, regardless of Medicaid reimbursement levels.

Are there circumstances in which the primary care payment bump will not be paid?

To the extent that physicians are already receiving payment for Medicaid services that is at least equal to the Medicare rate as required under section 1202 of the ACA, then no additional payment under section 1202 should be made to either a managed care health plan or to a group practice or similar organization that employs physicians. The additional payment is to ensure that payment to the physician is at least equal to the 1202 Medicare rate; it is not a benefit for anyone other than the physician.

If a state uses vaccine product codes to pay for vaccine administration, must it submit a new 1202 SPA when those product codes change?

States that pay for vaccine administration using the vaccine product codes were required to include a crosswalk to their administration codes as part of their 1202 SPA. They will therefore be required to submit a new SPA to reflect any changes in those codes. If a state does not use vaccine product codes to pay for vaccine administration and therefore there is no crosswalk in their 1202 SPA, then no updates are necessary to reflect the code changes.

Must a State submit a new SPA if it chooses to provide coverage for a new CPT billing code within the range of E&M codes specified in the law and regulation?

Yes. The original SPAs contained a list of codes that had been added since 2009 that the state was planning on reimbursing at the higher 1202 rate. Therefore, if a state adds codes, it should submit a revised SPA page, updating that list of codes eligible for higher payment.