



**TESTIMONY IN SUPPORT OF INCREASING KANCARE PAYMENT  
FOR PEDIATRIC PRIMARY CARE SERVICES**

October 11th, 2023

Chair Gossage and Members of the Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight:

The Kansas Chapter, American Academy of Pediatrics (KAAP) represents more than 450 practicing pediatricians in the state. Our fundamental goal is to ensure that every child and adolescent in Kansas has the opportunity to grow up healthy and strong. With this goal in mind, we wish to express our strong support for increasing KanCare payments for select pediatric primary care services.

First and foremost, we extend our gratitude to this Committee and to your colleagues in the 2022 Legislature, for supporting a modest rate increase for select pediatric codes—the first in many years. The funding in 2022 increased payment for a select set of well-child codes. These services help children in Kansas to have regular and routine access to a medical home, vital to their well-being. Children without a consistent source of healthcare are less likely to see a physician, while those with a medical home have lower overall healthcare expenses. It's important to recognize that Medicaid policies significantly impact the health of Kansas children.

While your support made possible much needed increases to well-child visit codes, there remains a pressing need for increased payment for other codes that are also essential for children's health and safety. These include sick visits and wellness vaccination codes. Furthermore, there is a continued need for an additional increase in well-child codes, given their significant role in maintaining the health of Kansas children and facilitating access to pediatric healthcare services across the state. We met with KDHE to discuss the potential for a targeted rate increase and will continue collaborating with the Agency to determine the specific codes for selection, providing you and your colleagues with a more accurate fiscal impact and budget request.

This matter is of utmost importance for several reasons.

Low Medicaid payment rates directly hinder access to care and may increase cost of care. When children cannot receive care at a private practice, parents are left with no choice but to resort to expensive, episodic care in hospital clinics and emergency rooms when their children fall ill. In some cases, they delay seeking treatment resulting in the need for more expensive care. None of these options are conducive to the well-being of children or the healthcare system. Increasing access to care within Medicaid can help prevent such situations.

Payment levels directly impact access to care, as evidenced by a 2019 study by the National Bureau of Economic Research, which found that a \$10 increase in Medicaid payments resulted in a 25% decrease in parents reporting difficulties in finding a doctor for their children. The authors found that closing the gap between Medicaid payment and that of private payers would reduce over two-thirds of the disparities in access for adults and eliminate them for children.

Payment for services directly affects physician participation in the Medicaid program and is a critical factor in ensuring access to care for Medicaid enrollees. Insufficient payment rates force Kansas physicians to make tough decisions to limit or stop caring for children covered by Medicaid. Research has shown that physicians are far less likely to accept new Medicaid-enrolled patients compared to patients with other types of insurance. Nationally, Medicaid pays only 72% of what Medicare pays for the same services. In Kansas, this figure is 71% for all services and just 61% for primary care.<sup>1</sup>

Additionally, increasing Medicaid payments would have positive economic effects for our state. Physician practices are substantial drivers of economic activity, creating output, generating jobs (including wages and benefits), and contributing to state tax revenue. In 2018, physicians in Kansas generated \$10.4 billion in direct and indirect economic output, supported over 62,300 jobs, and contributed over \$348 million in state and local taxes. Raising Medicaid payments to appropriate levels would not only benefit healthcare but also serve as an economic stimulus, something that would benefit the entire state.<sup>2</sup>

Now is the time for Kansas to join 17 other states (AL, CA, CO, CT, DE, GA, HI, IA, IN, ME, MD, MI, MS, NE, NV, NM, and SC) that have taken steps to maintain some level of Medicaid-Medicare payment parity using state funds, subsequently matched by federal Medicaid dollars. This is an investment in the future of our state and, most importantly, in the well-being of our children—a commitment we cannot afford to overlook.

Thank you for your time today. Kansas kids are counting on you.

Respectfully Submitted,

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<sup>1</sup> [Medicaid Physician Fees Remained Substantially Below Fees Paid By Medicare In 2019](#)

<sup>2</sup> American Medical Association; [Economic Impact of Physicians in Kansas, 2018](#) and [summary](#).