The Characteristics of Medicaid Fee for Service Primary Care Physicians Not Participating in the New York State Medicaid Managed Care Program

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The Office of Managed Care
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PREFACE

With the approval of New York State's plan for mandatory Medicaid managed care by the Federal Health Care Financing Administration (HCFA), the number of people enrolled in Medicaid managed care is expected to grow to 2.2 million over the next few years. Critical to the success of the managed care program is the availability of physician services, particularly primary care services. There were an estimated 13,700 primary care physicians participating in the Medicaid managed care program in early 1999. Although there are approximately 6,000 primary care physicians who participate in Medicaid managed care who do not receive. reimbursement under Medicaid fee-for-service, the Department of Health (DOH) Office of Managed Care (OMC) was interested in knowing why some primary care physicians who had received Medicaid fee-for-service reimbursement were not participating in the Medicaid managed care program.

In April 1999, OMC contracted with the Center for Health Workforce Studies (CHWS) at the School of Public Health, University at Albany, State University of New York to conduct an in-depth study of the non-participating primary care physicians. OMC wanted to determine more accurately the number of physicians not participating in the program and to better understand the reasons for their non-participation. This paper presents the findings of the study.

The key CHWS staff responsible for the study and this report are: Steven Schreiber, Edward Salsberg, Gaetano J. Forte, and Mark Beaulieu. The views expressed in this report are those of CHWS and do not necessarily reflect the views of the School of Public Health, the University at Albany, the State University of New York, or the Office of Managed Care of the New York State Health Department.

TABLE OF CONTENTS

LIST OF EXHIBITS

I. EXECUTIVE SUMMARY

In response to interest in the impact of the state's Medicaid managed care (MMC) program on access to care, the Office of Managed Care of the State Health Department (DOH) commissioned a study of physicians that had received some Medicaid fee-for-service reimbursement for primary care services but did not appear to be participating in Medicaid managed care plans. This report presents the findings of that study which was undertaken by the Center for Health Workforce Studies (CHWS).

To better understand the characteristics of the primary care physicians that were not participating in MMC and why, the Center analyzed available data on physicians and conducted a survey of primary care physicians thought to be not participating in MMC. Using the Center database on practicing physicians in the state, the demographic, educational and practice characteristics of participating and non-participating physicians were compared. Using the survey conducted for the study, the Center was able to develop a profile of non-participating physicians and their attitudes.

A comparison of the list of physicians that received Medicaid fee-for-service reimbursement in the year ending September 30, 1998 with the list of physicians participating in MMC plans in the fourth quarter of 1998, revealed 3,448 physicians that had received more than $100 of Medicaid fee-for-service reimbursement for primary care services, but were not listed as participating in MMC. The survey was mailed to these physicians in October of 1999 with follow-up mailings in November and December of 1999. The Center received 1,379 responses for a 40% response rate. As documented in the report, a careful comparison of the characteristics of the 1,379 respondents with those of the 3,448 physicians, found no significant differences in the two groups. The Center concluded that survey respondents were representative of the universe of non-participating physicians.

A. Summary of Findings

1. **Only 49.7% (1,715 of 3,448) of the physicians originally thought to be not participating primary care physicians were, in fact, eligible to be a MMC primary care practitioner and/or were actually non-participating.**

   Thirty-one percent (31%) of the physicians thought to be non-participating primary care physicians, as originally defined, reported that they were participating in Medicaid managed care at the time of the survey. This may reflect the fact that nearly a year had elapsed between the period used to determine non-participation and the survey. During this year, Medicaid managed care was expanding in New York State. It is also possible that the Health Provider Network (HPN) file that was used to determine if a physician was participating did not include all physicians in all plans due to the timing of the submission and lags in the reporting of data.

   An additional 14% of the physicians on the original list of non-participating physicians did not report a principal or secondary specialty in primary care. These physicians would not be appropriate to be designated as primary care practitioners. An additional 6% of the physicians were found to be inactive or retired from the practice of medicine. Finally, several of the non-participating physicians did not have a practice address in New York State.

2. **Compared to participating primary care physicians, the genuinely non-participating physicians were more likely to be a little older, more likely to be male, and less likely to be Black/African American.**

   There were some noteworthy differences between participating and non-participating physicians: 82% of the non-participating physicians were male compared to only 69% of the participating; the median age of non-participating physicians was 53 compared to 49 for participating; and only 3% of the non-participating were Black/African Americans compared to 12% of the participating. The fact that older, male physicians are less likely to participate in MMC may be associated with characteristics of their practices rather than be a causal factor (e.g., they may be more likely to be in solo practice or have less capacity to see new patients). In terms of Black/African American physicians, studies elsewhere have documented that under-represented minorities are more likely to practice in underserved communities. These physicians may be located in communities with a

relatively high percent of the population covered by Medicaid and, thus, have an incentive to participate. These physicians may also be more committed to serving the Medicaid population.

3. **Participating physicians are more likely to be board certified in their specialty than the non-participating physicians but equally likely to have completed an accredited residency program. Participating physicians are also more likely to be International Medical Graduates (IMGs) than non-participating physicians.**

   Managed care plans may prefer physicians who are board certified, as 83% of the participating physicians were board certified compared to 74% of the non-participating physicians. In regards to IMGs, it may be that a high percentage are in under-served communities with a relatively high percentage of the population covered by Medicaid which would encourage participation in Medicaid managed care. Based on this data, IMGs as a group of physicians, are not being excluded from Medicaid managed care.

4. **In terms of specialty, a majority of the non-participating primary care physicians (61%) are internists compared to only 41% of participating primary care physicians. Pediatricians and family practitioners are more prevalent among the participating than among the non-participating physicians.**

   Although pediatricians represent 25% of the participating primary care physicians, they represent only 10% of the non-participating physicians. This may reflect the relatively high proportion of the Medicaid managed care population that are children. The over-representation of internists among the non-participating could reflect the fact that some internists have sub-specialties that make them less likely to provide (or less dependent on providing) primary care services than other primary care specialties. However, this is not answerable from the survey data.

5. **One of the most noticeable differences between participating and non-participating primary care practitioners is the high percent (63%) of the non-participating in solo practice compared to the participating physicians (31%). Non-participants are also far more likely to report that their practices are full (19%) than those participating in managed care (4%).**

   The survey does not tell us why solo practitioners are less likely to participate; but it may reflect the difficulty of providing 24 hour back up (a pre-requisite for participation), or the Medicaid managed care program's emphasis on including traditional providers such

as hospitals, clinics, federally qualified health centers, and other clinic settings, or the ability to assume risk as a solo practitioner. Older physicians are far more likely to be in solo practice than younger physicians and they may be more set in their ways and/or less accepting of managed care. In regards to capacity to see additional patients, it is logical that a physician already at full capacity would be less willing to participate in the Medicaid managed care program.

6. **For the most part, non-participating primary care physicians have limited involvement with Medicaid of any type: 73% report having less than 10% of their patients covered by Medicaid fee-for-service care.**

   The inclusion in the study of physicians with as little as $100 a year in fee-for-service billings meant that many of these physicians were only marginally participating in the Medicaid program. It is possible that some of this reflects the practice location of the physician, i.e., the physician may be in a community with few Medicaid patients. On the other hand, many of the letters and comments from respondents indicated frustration with the Medicaid program in general based on their experience with fee-for-service.

7. **Non-participating primary care physicians are also less likely to be involved with any type of managed care: 36% report having less than 10% of their patients covered by managed care compared to only 6% for participating physicians. The dissatisfaction with managed care appears even stronger than the dissatisfaction with Medicaid.**

   It appears that non-participating primary care physicians are unhappy with managed care in general. Seventy-one percent (71%) of the non-participants stated that they were unwilling to consider participating in Medicaid managed care in the future. When asked why, 41% of this group indicated they were not willing to increase their involvement in managed care, while 27% said they were not willing to take on additional Medicaid patients.

8. **Non-participating physicians are distributed throughout the state with relatively high concentrations in Central New York and the Hudson Valley.**

   While non-participation is generally spread throughout the state, Central New York stands out with only 5% of the participating primary care physicians but 16% of the non-

participating physicians. Hudson Valley is similar with 10% of the participating physicians and 17% of the non-participating.

9. **Forty-four percent (44%) of the non-participating primary care providers do not meet MMC prerequisites or have the capacity to be primary care practitioners (PCPs). Thus, of the 1,715 genuinely non-participating physicians, only 960 (56%) would meet the requirements and have capacity to become PCPs.**

   To be a PCP, a physician must meet several state requirements: practice a minimum number of hours per week; have 24 hour back up coverage; and be board certified or have completed an accredited residency program or have hospital admitting privileges. A physician also must have the time and the capacity to see additional patients. Some 44% of the non-participating physicians indicated that they did not meet one of these criteria.

10. **A significant percentage (37%) of non-participating physicians indicated that they were not familiar at all with the MMC program. These physicians were more likely to be in counties that are exempt from mandatory MMC.**

    More than a third of the non-participating physicians were not familiar at all with the Medicaid managed care. These physicians were over-represented in counties exempt from mandatory MMC and less frequently encountered in mandatory counties. This may also reflect the fact that 71% of the non-participating physicians were unwilling to participate in MMC and the dissatisfaction with managed care in general.

11. **While some of the non-participating physicians (29%) were willing to participate in Medicaid managed care, a quarter of these physicians had applied for and been rejected by managed care plans. This represents about 7% of all of the non-participating physicians.**

    It is expected that managed care plans will carefully review the qualifications and performance of physicians applying to be members of their plans. It is not surprising therefore that some physicians have been rejected by plans. Since only about 7% of all of the non-participating physicians had been rejected by a plan, non-participation is largely a decision made by the physician not the plans.

12. **Counties with mandatory MMC had relatively few non-participating physicians and those that were non-participating were less willing to consider participating than physicians in exempt counties or in counties scheduled to become mandatory.**

    Counties with mandatory managed care had relatively few non-participants: these counties had 28% of the participating and only 14% of the non-participating physicians. On the other hand, the exempt counties had only 5% of the participating and 21% of the non-participating. This findings suggest that as counties implement mandatory managed care programs, there will be greater physician participations. In addition, among the non-participating physicians, those in mandatory counties were less open to considering joining Medicaid managed care.

13. **Many of the 71% of physicians not willing to participate in MMC indicated some of the changes that would be necessary for them to reconsider their decision not to participate. Top on their list was higher reimbursement (61%); followed by eliminating capitation (43%); and physician control of the number of enrollees (33%). Twelve percent (12%) also indicated that they would reconsider if their managed care plans decided to participate.**

    While it is not possible to judge how willing these physicians really are to consider participating in MMC, nevertheless, their concerns are worth noting. The 12% that would consider participating if their managed care plans signed up with MMC may be an opportune target for the Medicaid program.

14. **It is estimated that there were 317 non-participating primary care physicians that were appropriate, eligible, and willing to participate in MMC. Since non-participating physicians provided, on average, less than $90 a week in Medicaid billings for primary care services in the base year; it is likely therefore, that the 317 physicians provided a relatively limited amount of services to Medicaid recipients. This situation could be attributed to the fact that some physicians only participate in Medicaid fee-for-service so they can continue to care for existing patients that become Medicaid eligible, especially the elderly. In light of the low volume of primary care services provided in the past by non-participating primary care physicians to Medicaid patients, the loss of services to Medicaid patients from this non-participation appears to be marginal compared to the more than 12,000 physicians participating in Medicaid managed care.**

    As noted above, it was originally thought that there were nearly 3,500 non-participating primary care physicians, however, only 49.7% were genuinely appropriate to be considered in this category leaving 1,715 primary care physicians who fit the definition.

This number is further reduced because 44% of these physicians did not meet at least one of the requirements to be a PCP and/or had no capacity to accept additional patients. [1] This leaves 960 primary care physicians that were appropriate and able to be a designated PCP. Only 33% (317) of these physicians indicated that they were willing to consider becoming participating physicians and some of these doctors had applied to become a PCP only to be rejected by the managed care plan(s).

B. Conclusions

The physicians that did not sign up with MMC, for the most part, were *not* major providers of services to the Medicaid population. In addition, most of these physicians will be able to continue to provide services to the Medicaid population since the elderly and the disabled are exempt from the mandatory program statewide and many counties are totally exempt from a mandatory program.

A physician located in an area with a high percent of the population on Medicaid that has historically served the Medicaid population is likely to continue to serve that population regardless of the conversion to managed care. On the other hand, a physician in an area with few people on Medicaid or a physician with few Medicaid patients is probably less motivated to enroll in MMC. The fact that more than one-third of the non-participating physicians were *not* familiar with MMC represents an opportunity and challenge to plans, counties, and the Office of Managed Care. Increased marketing to primary care physicians stressing the benefits of MMC and the differences from Medicaid fee-for-service might help increase participation rates.

Finally, OMC working with managed care plans and counties, should establish an ongoing process to obtain information on a regular basis to assess the concerns and needs of physicians participating and not participating in the Medicaid managed care program.

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[1] The inability to accept new patients would not affect the conversion to Medicaid managed care of fee-for-service patients already on the physician's panel. However, given the low level of participation in fee-for-service Medicaid for non-participating physicians, the inability to accept new patients is a limiting factor in expanding managed care capacity.

II. BACKGROUND

New York State is in the process of implementing its Medicaid managed care program. With the approval of the federal government, in 14 counties this involves a *mandatory* enrollment of a majority of the patients covered by Medicaid. (Certain population groups, such as the elderly or disabled, are not required to enroll in managed care.) Thirty-two counties have been exempted from participation in the mandatory component of the program, and 15 of these counties have no Medicaid managed care program. The remaining counties continue to encourage the voluntary enrollment of patients in managed care.

While access to physicians has been an issue of concern under New York State's Medicaid fee-for-service program for many years, it is also a concern under Medicaid managed care because persons on Medicaid who enroll in managed care are limited to the physicians participating in their plans. The presence of a physician in a community or in a managed care plan does not automatically assure access to that physician as there may be a number of barriers to effective access, such as hours of service or language differences. Yet, the presence of a physician in a community is a precondition to access. Similarly, the participation of physicians in managed care is an essential precondition to assuring enrollees access to care.

The New York State Health Department (DOH) maintains data on all physicians that submit a claim for services rendered under the traditional Medicaid fee-for-service reimbursement. This assures that only physicians with appropriate credentials treat patients in the Medicaid program. At the same time, DOH also requires that all managed care plans submit regular reports with data on physicians approved by the plan to provide care for Medicaid and commercial patients. With this data DOH can assess whether a plan has an adequate number of physicians to serve its enrollees. Based on comparisons of physicians receiving Medicaid fee-for-service reimbursement and physicians participating in the Medicaid managed care program, DOH found approximately 6,000 physicians in the Medicaid managed care program who did not participate in the fee for service program. There were also physicians that had received Medicaid fee-for-service reimbursement but were not enrolled in any Medicaid managed care plan.

In early 1999, DOH's Office of Managed Care (OMC) asked the Center for Health Workforce Studies (CHWS) to undertake a preliminary analysis of primary care physicians that had not enrolled in managed care plans serving the Medicaid population and to compare these physicians with all active primary care physicians in the state. OMC asked CHWS to conduct this analysis because CHWS has an extensive database on physicians in New York State. This database includes a profile of practicing physicians when they re-register their physician licenses with the New York State Education Department every 2 years.

OMC included any physicians that received more than $100 in Medicaid fee-for-service reimbursement for primary care services in the prior year on the list of non-participating Medicaid managed care physicians. This is a very broad definition that includes many physicians who provided services to Medicaid patients only on an incidental basis rather than an ongoing one.

The preliminary analysis suggested that half of the physicians who were not participating in Medicaid managed care were not eligible to be primary care physicians in the program for such reasons as: their principal specialty was not in primary care; their principal practice was not appropriate for ongoing primary care; or they were located and practicing out of state. Of those remaining, there were no significant differences between them and all primary care physicians in the state in terms of age, race/ethnicity, location of medical school (U.S. vs. foreign), completion of a primary care residency program, and board certification in a primary care specialty. On the other hand, there were differences found between these two groups of primary care physicians in terms of practice setting and specialty. Since this preliminary analysis provided only a general comparison of non-participating physicians to all primary care physicians, OMC asked CHWS to conduct a more in-depth study of the primary care physicians in the Medicaid managed care program and those not participating in the program. The results of this preliminary analysis were used to develop the current, more comprehensive study described in this report.

III. GOALS OF THE STUDY

- Describe the demographic and practice characteristics of primary care physicians that received Medicaid fee-for-service reimbursement but are not participating in the Medicaid managed care program and to compare these physicians with primary care physicians that are participating in the Medicaid managed care program.
- Assess the attitudes and experiences of the non-participating physicians with respect to Medicaid and managed care and how these may affect participation in the Medicaid managed care program.
- Assess the impact of the potential non-participation of Medicaid fee-for-service primary care physicians on the availability of primary care services for individuals enrolled in the Medicaid program.

IV. METHODS

In order to achieve the above goals, CHWS, in consultation with OMC, decided to survey the physicians that had received Medicaid fee-for-service reimbursement for primary care services over the course of a year, but were not participating in the Medicaid managed care program. The results of the survey would be combined with a more detailed analysis of the CHWS physician database to further assess the characteristics of the non-participating physicians compared to participating physicians.

A. Mailing List Development

OMC obtained a list of primary care physicians[2] who had received at least $101 of fee-for-service payments for primary care services during the federal fiscal year ending September 30, 1998. This list was merged with DOH's master list of managed care physicians (the Health Provider Network File) for the Fourth Quarter of 1998. Those physicians who did not match became **the survey group**, i.e., those who had received Medicaid fee-for-service payments of greater than $100 for primary care services in a year but were not participating

[2] Primary care specialties consist of family practice, general pediatrics, general internal medicine, obstetrics-gynecology, and general practice.

in Medicaid managed care became the group under investigation. There were 3,514 physicians in the survey group. OMC provided CHWS with the list of 3,514 presumed non-participating physicians.

B. Survey Instrument Development

Phone interviews were conducted during May 1999 with ten physicians randomly selected from the survey group to help determine the issues to be addressed in the study. The comments of the physicians were transcribed and shared with DOH, but were not linked to individual physicians.

CHWS developed a draft survey questionnaire with OMC based on the interviews and OMC's concerns. A copy was also given to one of the interviewed physicians who had volunteered to review the draft. The final version of the questionnaire was sent to National Computer Systems, Inc. where a standardized survey form was developed that could be scanned electronically for analysis. A copy of the survey is attached as Appendix A.

C. Survey Distribution

In October 1999, the survey instrument was mailed to the 3,514 presumed non-participating physicians under a cover letter from the CHWS director. The letter advised the physicians of the purpose of the survey and indicated that this was an opportunity to share their views with state policy makers. The letter also indicated that all respondents would receive an executive summary of the survey results. Follow-up mailings to non-respondents were sent in November 1999 and again in December 1999.

D. Other Data Sources

As noted above, this report uses the DOH Health Provider Network File (HPN). This file contains data from all managed care plans in New York State. The dataset is compiled and maintained by OMC through electronic submission by managed care plans. The HPN was primarily used to identify primary care physicians who were participating in Medicaid managed care to be used as a comparison group with the non-participants. OMC provided CHWS with the Fourth Quarter 1998 HPN for use in this study.

Another important source of data is the 1997-1999 NYS Physician Licensure Re-registration Survey. This survey collects information on demographic and practice characteristics of all physicians who hold New York State licenses. The survey is distributed as part of the New York State Education Department's physician licensure re-registration packet sent to physicians every two years. The re-registration process is a rolling process with the registration date based on a physician's date of birth. Dataset 2.1, used for this study, consists of all re-registration survey responses received between September 1, 1997 and December 1, 1999. These data were primarily used in the analysis to determine whether the survey respondents were representative of the universe of primary care physicians presumed to not participate in the Medicaid managed care program.

E. Response Rate Analysis

1. Response Rate

Of the original survey group of 3,514, six (< 1%) were found to be deceased and sixty (2%) to be living outside of New York State in non-adjacent states. These physicians were removed from the original survey group, resulting in a revised survey group of 3,448 physicians. After the three mailings, CHWS received responses from 1,379 of the 3,448 physicians for a 40% response rate. This is a reasonable and acceptable response rate if it can be shown that the respondents are representative of the revised survey group. Because the list of physicians provided by OMC used $101 as the cut off for primary care fee-for-service billing to be included, many of the physicians included were not heavily involved in the Medicaid program, in general. Thus, the survey may have appeared to them to be of little value and not worth taking the time to respond to it. However, an analysis of the response rate by level of primary care reimbursement in 1998 did not reveal any statistically significant variation in the response rates. In addition, OMC was interested in gathering the views and opinions of as many potential Medicaid managed care physicians as possible.

2. Comparison of Respondents to the Revised Survey Group

To assess whether the 1,379 respondents were representative of the 3,448 presumed non-participating primary care physicians, CHWS compared the characteristics of the respondents with those of the revised survey group using the re-registration survey data.

Figure 1.
Comparison of Survey Respondents to Revised Survey Group

	Revised Survey Group	Survey Respondents
Demographic Characteristics		
% Male	77%	77%
Median Age	48	51
% Native American	1%	1%
% Black/African American (non-Hispanic)	4%	2%
% Hispanic/Latino(a)	5%	5%
% White (non-Hispanic)	69%	71%
Principal Specialty Characteristics		
% Family Practice	7%	8%
% General Practice	2%	2%
% General Internal Medicine	33%	32%
% Obstetrics/Gynecology	5%	4%
% Pediatrics	9%	12%
% Other Specialty	44%	42%
Educational Characteristics		
% Foreign Medical School	37%	38%
% Board Certified in Principal Specialty	78%	78%
% Completed Accredited Residency in Principal Specialty	90%	93%
Practice Characteristics		
% Full Time	91%	89%
% Solo Practice	35%	42%
% Group Practice	34%	35%
% Hospital	26%	19%
% Other Setting	5%	4%
% With Hospital Admitting Privileges in NYS	86%	89%
% Less than 10% of Practice in Medicaid	46%	47%
% Less than 10% of Practice in Managed Care	18%	20%
Median Medicaid Fee-for-Service Primary Care Billing	$3,323	$3,628

Sources: 1997-1999 CHWS New York State Physician Licensure Re-registration Survey Dataset 2.1; Office of Managed Care, New York State Health Department

As indicated in Figure 1, the demographic, educational, and practice characteristics of the survey respondents and the universe of non-participating physicians were very similar. A comparison across a number of key variables does not indicate any systematic bias in the respondents. Based on this analysis, the survey respondents can be considered representative of the universe of the physicians not participating in Medicaid managed care in New York State.

V. FINDINGS

A. Overview

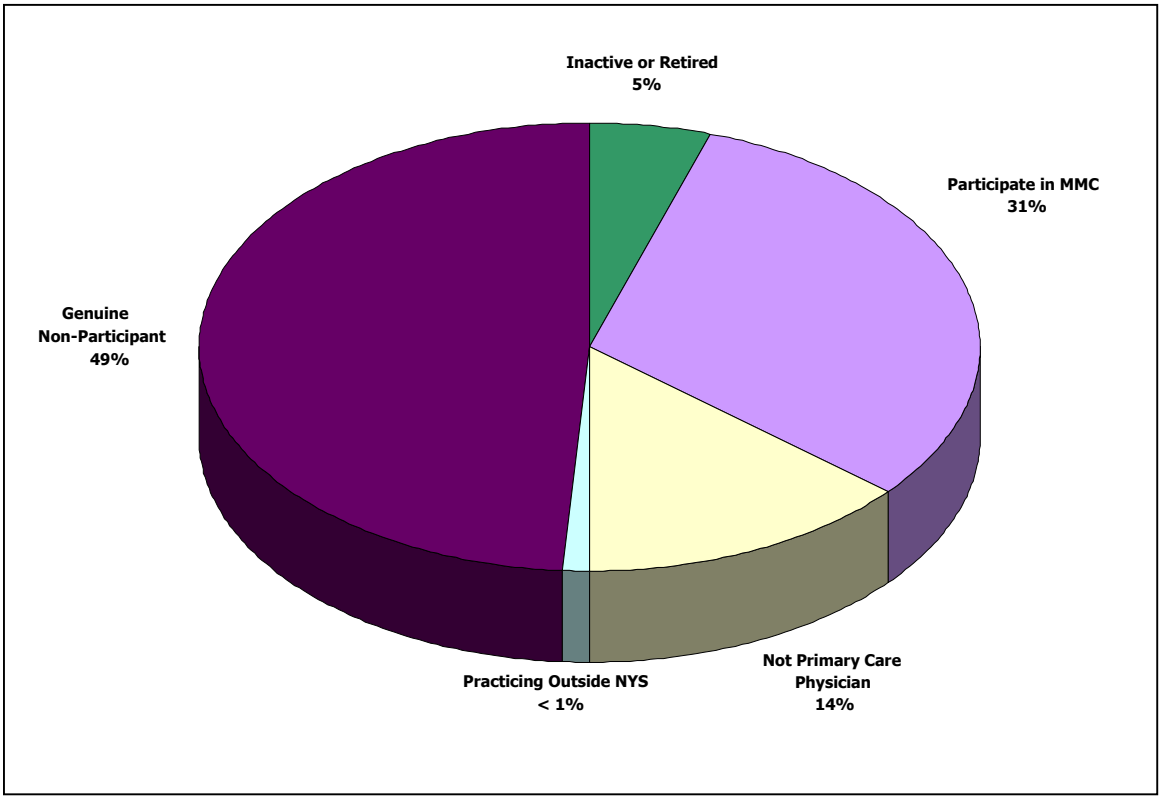
This section begins with a review of the survey responses to assess if those thought to be non-participating primary care physicians, do, in fact, fit that description. Second, those who are classified as genuine non-participants are compared to primary care physicians who are participating in the Medicaid managed care program. Third, a more in depth description of the genuine non-participants is presented. Next, genuine non-participating physicians' views and experiences with the Medicaid managed care program are described. Finally, factors associated with physician willingness to participate in the Medicaid managed care program are identified and analyzed.

B. Identifying Physicians that are Genuinely Available but Not Participating in the Medicaid Managed Care Program

The overall goal of this study is to understand why some physicians are available, but not participating in the Medicaid managed care program. The use of the list of physicians with primary care billings greater than $100 in a year is a proxy for physicians available to participate in the program. The preliminary study indicated that some of these physicians were not genuinely available. Therefore, a first step in the analysis is to ascertain how many of the physicians presumed to be available, but not participating, fit that description.

With this in mind, the initial examination of the survey responses involves determining which respondents should be considered genuine non-participants for the purposes of the analysis. As is evident in Figure 2, less than half of the survey respondents are genuine non-participants: 31% report that they are already participating in the Medicaid managed care program; 14% did not report a primary care specialty as either their principal or secondary practice specialty; 6% report being inactive or retired from the practice of medicine; and several (< 1%) report a zip code outside New York State for both their primary and secondary practice locations.

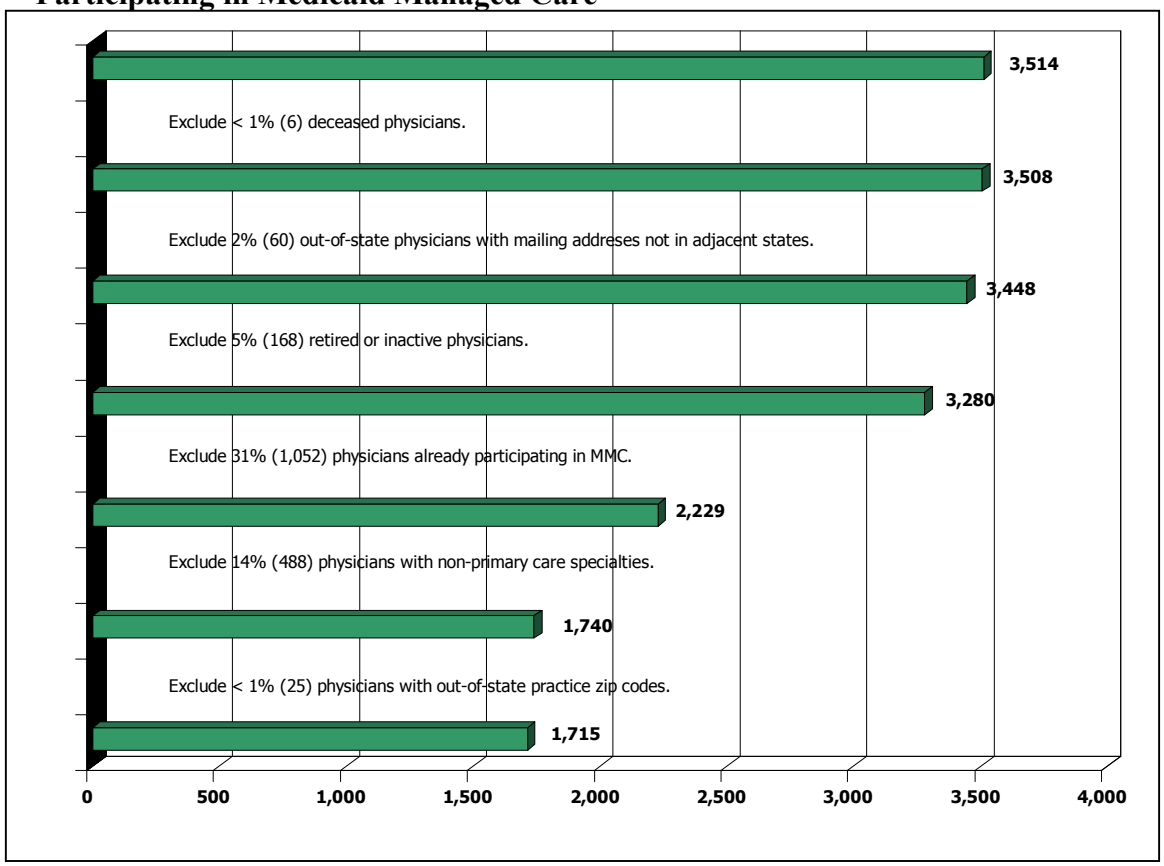
Figure 2.
Characteristics of Physicians Presumed to be Primary Care Physicians Not Participating in Medicaid Managed Care



The remainder (49%) of the respondents can be classified as genuine non-participants – that is, these physicians are active primary care physicians practicing in New York State who received Medicaid fee-for-service reimbursement of greater than $100 for primary care services during the 1998 federal fiscal year, but are not participating in the Medicaid managed care program.

As was mentioned in the previous section the survey respondents were considered representative of the universe of active primary care physicians not participating in the Medicaid managed care program, so it is possible to extrapolate from the survey responses to the universe. Figure 3 presents a step-down chart of the results of this extrapolation. The initial figure of 3,514 non-participants is reduced to 1,715 genuine non-participants.

Figure 3.
Step-down of Physicians Presumed to be Primary Care Physicians Not Participating in Medicaid Managed Care



That there were large numbers of physicians in the survey group of presumed non-participating physicians who appear inappropriate for the survey is due, in part, to the fact that the list of presumed non-participating physicians provided by OMC was based upon the Fiscal Year 1998 Medicaid Fee-for-Service Claims File and the Fourth Quarter 1998 HPN. Since the physicians in this study were surveyed in late 1999, many who were active in 1998 or not participating in Medicaid managed care in 1998 could have become inactive or have begun to participate by late 1999 – this is particularly likely as the mandatory Medicaid managed care program was being implemented in many counties during this period.

C. Comparison of Medicaid Managed Care Physicians and Genuine Non-Participants

In this section, primary care physicians who participate in Medicaid managed care are compared to the genuine non-participants identified above. This comparison identifies

differences between the two groups, some of which may help explain why some physicians are not participating in the program. The data for the primary care physicians participating in the Medicaid managed care program come from the re-registration survey data; the data for the genuine non-participants come from their responses on the survey conducted for this study, except where noted.

1. Demographics

In terms of demographics (Figure 4), primary care physicians who are not participating in the Medicaid managed care program are more likely to be male (82%) than their participating counterparts (69%). Non-participating physicians also tend to be older (median age 53) than those who participate (median age 49). Finally, non-participants are less likely to be under-represented minorities (less than 10%) than primary care physicians who participate in the program (18%).

Figure 4.
Demographic Comparison of Participating and Non-Participating Primary Care Physicians

	Participating Primary Care Physicians*	Non-Participating Primary Care Physicians
% Male	69%	82%
Median Age	49	53*
% Native American	1%	< 1%
% Black/African American (non-Hispanic)	12%	3%
% Hispanic/Latino(a)	5%	6%
% White (non-Hispanic)	60%	66%

*Sources: 1999 Survey of Physicians Not Participating in Medicaid Managed Care; *1997-1999 CHWS New York State Physician Licensure Re-registration Survey Dataset 2.1*

2. Educational Background

In terms of educational background (Figure 5), non-participating primary care physicians are more likely to have attended medical school in the United States or Canada (65%) than participating primary care physicians (55%). While there is no substantively meaningful difference between participating and non-participating physicians with regard to having completed an accredited residency training program in their principal specialties, non-participants are less likely to be board certified in their principal specialties (74%) than

participants (83%). This last fact may reflect a preference among managed care plans for physicians who are board certified.

Figure 5.
Educational Background Comparison of Participating and Non-Participating Primary Care Physicians

	Participating Primary Care Physicians*	Non-Participating Primary Care Physicians
% Foreign Medical School	45%	35%
% Board Certified in Principal Specialty	83%	74%*
% Completed Accredited Residency in Principal Specialty	97%	96%*

*Sources: 1999 Survey of Physicians Not Participating in Medicaid Managed Care; *1997-1999 CHWS New York State Physician Licensure Re-registration Survey Dataset 2.1*

3. Principal Specialty

In terms of principal practice specialty (Figure 6), participating and non-participating primary care physicians show some variation. Non-participating physicians are much more likely to specialize in general internal medicine (61%) than their participating counterparts (41%). On the other hand, non-participants are also much less likely to specialize in general pediatrics (10%) than participating primary care physicians (25%).

Figure 6.
Practice Specialty Comparison of Participating and Non-Participating Primary Care Physicians

	Participating Primary Care Physicians*	Non-Participating Primary Care Physicians
% Family Practice	16%	12%
% General Practice	2%	1%
% General Internal Medicine	41%	61%
% Obstetrics/Gynecology	15%	16%
% Pediatrics	25%	10%

*Sources: 1999 Survey of Physicians Not Participating in Medicaid Managed Care; *1997-1999 CHWS New York State Physician Licensure Re-registration Survey Dataset 2.1*

4. Practice Characteristics

A number of practice characteristics (Figure 7) could be contributing to a physician's likelihood of participating in Medicaid managed care. These characteristics include:

- Non-participants are much more likely (63%) to be working in solo practice arrangements than participating primary care physicians (31%).

- Non-participating physicians are much more likely (19%) to report that their practices are full and they cannot take on additional patients than participating physicians (4%).

- Non-participating physicians are slightly less likely (86%) to report working full-time than their participating counterparts (92%).

- Many more non-participants (36%) report very little involvement with managed care (not just Medicaid managed care) compared to participating physicians (6%).

- In terms of involvement with Medicaid in general, not just Medicaid managed care, a greater percentage of non-participants (73%) report very little involvement compared to participating physicians (45%).

- Finally, non-participants are slightly less likely (92%) to have admitting privileges to at least one hospital in New York State than participating primary care physicians (96%).

- Further analysis shows that participating physicians are less likely (1%) to have been disciplined by the New York State Office of Professional Medical Conduct from January 1982 to July 1999 than non-participating physicians (3%).

Figure 7.
Practice Characteristics Comparison of Participating and Non-Participating Primary Care Physicians

	Participating Primary Care Physicians*	Non-Participating Primary Care Physicians
% Full Time	92%	86%
% Solo Practice	31%	63%
% Group Practice	40%	31%
% Hospital	19%	6%
% Other Setting	10%	< 1%
% With Hospital Admitting Privileges in NYS*	96%	92%*
% Cannot Accept New Patients	4%	19%
% Less than 10% of Practice in Medicaid	45%	73%
% Less than 10% of Practice in Managed Care	6%	36%
Median Medicaid Fee-for-Service Primary Care Billing	N/A	$4,605

*Sources: 1999 Survey of Physicians Not Participating in Medicaid Managed Care; *1997-1999 CHWS New York State Physician Licensure Re-registration Survey Dataset 2.1*

5. Geographical Location

In terms of geographical location in New York State (Figure 8), non-participating physicians are more likely to practice in the Central NY (16%) and Hudson Valley health services regions (see Appendix B and C for makeup of these regions) than participating physicians (5% and 10%, respectively). At the same time, non-participating physicians are also less likely to practice in the Nassau-Suffolk HSA Region (7%) than their participating counterparts (16%). Importantly, non-participating physicians are no more likely to practice in New York City than participating primary care physicians.

Figure 8.
Geographical Location Comparison of Participating and Non-Participating Primary Care Physicians

Health Services Region	Participating Primary Care Physicians*	Non-Participating Primary Care Physicians
Western NY	6%	4%
Finger Lakes	8%	4%
Central NY	5%	16%
NY Penn	2%	1%
Northeast NY	8%	4%
Hudson Valley	10%	17%
Nassau-Suffolk	16%	7%
New York City	46%	48%

*Sources: 1999 Survey of Physicians Not Participating in Medicaid Managed Care; *1997-1999 CHWS New York State Physician Licensure Re-registration Survey Dataset 2.1*

6. The Impact of Mandatory Medicaid Managed Care Phase-In Status

Figure 9 presents data on the distribution of the participating and non-participating physicians by phase-in status of mandatory Medicaid managed care in the county in which the physician practices. Far more (21%) of the non-participating physicians are practicing in counties that have been classified as exempt from the mandatory phase-in than participating physicians (5%). On the other hand, the non-participating physicians are under–represented in counties that have already gone mandatory with only 14% of the non-participating in these counties compared to 28% of the participating primary care physicians in the program in those counties. Almost two-thirds (65%) of the non-participating physicians have their principal practice within a county that is scheduled to go mandatory, compared to 67% of the

participating physicians.[3] It is clear that participation in the program is directly related to the area in which a physician practices.

Figure 9.
Phase-In Status for Mandatory Medicaid Managed Care by County of Principal Practice Location

	Participating Primary Care Physicians*	Non-Participating Primary Care Physicians
Mandatory Program Implemented	28%	14%
Mandatory Program Scheduled	67%	65%
County Exempted from Mandatory Program	5%	21%

*Sources: 1999 Survey of Physicians Not Participating in Medicaid Managed Care; DOH OMC; * 1997-1999 CHWS New York State Physician Licensure Re-registration Survey Dataset 2.1*

D. Other Practice Characteristics of Valid Non-Participating Primary Care Physicians

Because the survey was sent to non-participating physicians only, there are several data points where there are no comparable data for participating physicians. This section examines the relevant data, including: Child Health Plus program involvement, level of Medicaid fee-for-service involvement, and whether the physicians meet requirements for participation in the Medicaid managed care program. Some of these characteristics can help explain why some physicians are not participating in the Medicaid managed care program.

1. Provider Hours

Overall, 9% of non-participating primary care physicians report fewer than 15 hours per week spent in direct patient care (Figure 10). The Medicaid managed care program requires that primary care physicians provide at least 16 hours of patient care per week at a specific practice location to be eligible to be a designated primary care practitioner (PCP). Thus, at least 9% of the non-participants would not meet this requirement. In addition, 18% report fewer than 16 hours per week spent in primary care at their principal practice location, while almost three quarters (70%) report fewer than 16 hours per week in primary care at their secondary practice location (note: these 70% include physicians who do not have a secondary practice location).

[3] All of New York City was included in the "planned" category because it was assumed that the mandatory

Figure 10.
Provider Hours of Non-Participating Primary Care Physicians

	Non-Participating Primary Care Physicians
% Fewer than 15 total patient care hours per week	9%
% Fewer than 16 primary care hours per week at principal practice location	18%
% Fewer than 16 primary care hours per week at secondary practice location	70%

Source: 1999 Survey of Physicians Not Participating in Medicaid Managed Care

2. Involvement in Medicaid Fee-for-Service

The non-participating physician survey included a question on Medicaid fee-for-service involvement. Figure 11 presents these data. Nearly half (49%) of the genuine non-participating physicians report 2% or fewer of their patients are covered by Medicaid fee-for-service. Only 10% report a majority of their patients in Medicaid fee-for-service. Not surprisingly, a majority of the non-participating physicians had 1998 Fee-for-Service primary care reimbursements totaling $5,000 or less (which is less than $100 per week in Medicaid primary care service billings).

program, which began to be implemented in late 1999, had not yet had an effect.

Figure 11.
Medicaid Fee-for-Service Involvement of Non-Participating Primary Care Physicians

Patients in Medicaid Fee-for-Service	Non-Participating Primary Care Physicians
None	19%
0 - 2%	30%
3 - 10%	24%
11 - 25%	11%
25 - 50%	6%
51 - 75%	3%
76 - 100%	7%
1998 FFS Primary Care Payments*	
$101 - $500	12%
$501 - $1,000	11%
$1,001 - $3,000	17%
$3,001 - $5,000	12%
$5,001 - $10,000	16%
$10,000 +	32%
Median Medicaid Fee-for-Service Primary Care Billing	$4,605

*Sources: 1999 Survey of Physicians Not Participating in Medicaid Managed Care; *NYS DOH*

3. Involvement in Child Health Plus

According to responses to the survey, a significant portion (44%) of the non-participating pediatricians and family practitioners actively participate in the Child Health Plus program (Figure 12). Of those, a majority (56%) of those physicians care for 100 or fewer patients in the program.

Figure 12.
Involvement in Child Health Plus Among Non-Participating Pediatricians and Family Practitioners

	Non-Participating Primary Care Physicians
% Participate in Child Health Plus	44%
Number of Children in Child Health Plus	
None	11%
1 - 50	42%
51 - 100	13%
101 - 200	14%
201 - 300	9%
301 - 400	8%
401 +	2%

Source: 1999 Survey of Physicians Not Participating in Medicaid Managed Care

4. Structural Factors Affecting the Ability to Participate in Medicaid Managed Care

In order to participate in the Medicaid managed care program, a physician must meet a number of specific requirements. These structural requirements include:

- 24-hour backup coverage;
- at least 16 hours of patient care at a practice site;[4] and
- board certification, *or* hospital admitting privileges, *or* graduation from an accredited residency training program.

Physicians who do not meet *all* three of the requirements *and/or who do not have the ability to accept additional patients* (because their practices are full) cannot be considered as able to participate in the Medicaid managed care program. Figure 13 presents data with respect these requirements and the non-participating physicians. Almost one-fifth (19%) of the non-participating primary care physicians report that they are not accepting new patients. Slightly fewer (13%) report that they do not have 24-hour backup arrangements. Almost a quarter (24%) report that they do not spend at least 16 hours a week providing patient care at a practice site. A very small percentage (2%) of the non-participating physicians report that they are neither board certified, have graduated from an accredited residency training program, nor do they have hospital admitting privileges. In all, 44% of the genuine non-participating physicians do not meet the structural requirements to take part in the program, and as such are disqualified from participation.

[4] This is not currently a state requirement; however, some counties do require the 16 hours at a site and in 1999 many physicians thought it was required.

Figure 13.
Structural Requirements of Participation in Medicaid Managed Care

	Non-Participating Primary Care Physicians
% Not accepting new patients	19%
% Lacking 24-hour backup arrangements	13%
% Not practicing at least 16 hours at a site	24%
% Lacking board certification	
% Not having graduated from an accredited residency training program	2%
% Lacking hospital admitting privileges	
% Lacking at least one essential requirement for participation in the Medicaid managed care program	44%

Source: 1999 Survey of Physicians Not Participating in Medicaid Managed Care

5. Familiarity with the Medicaid Managed Care Program

A majority (63%) of non-participating physicians report that they are at least somewhat familiar with the Medicaid managed care program (Figure 14). The remainder (37%) report that they are not at all familiar with the program. The physicians not familiar with the program are more likely to practice in exempt counties and least likely to be in counties that have implemented mandatory Medicaid managed care.

Figure 14.
Non-Participating Physicians' Familiarity with Medicaid Managed Care Program

	Non-Participating Primary Care Physicians
Very familiar	14%
Somewhat familiar	49%
Not familiar at all	37%

Sources: 1999 Survey of Physicians Not Participating in Medicaid Managed Care

E. Non-Participating Physicians' Views toward Medicaid Managed Care

In the previous sections, characteristics of the non-participating physicians and their practices were examined to determine whether the non-participating physicians were indeed available and able to participate in the Medicaid managed care program. In this section, the views and experiences of the genuine non-participating physicians are reviewed to determine whether

the available non-participants would be willing to become participants at some point in the future.

1. Willingness to Participate in the Medicaid Managed Care Program

Twenty-nine percent of the non-participating primary care physicians report that they have considered participating in the program at some time in the past (Figure 15). Of those who report that they have considered participating, 25% report that the managed care plan was responsible for the decision for them not to participate.

Figure 15.
Past Consideration of the Medicaid Managed Care Program

	Non-Participating Primary Care Physicians
% Who have considered participating at some point in the past	29%
Of those who have considered participating:	
% Decision not to participate was their own	75%
% Decision not to participate was made by the managed care plan	25%

Sources: 1999 Survey of Physicians Not Participating in Medicaid Managed Care

While this may reflect the screening of physicians by managed care plans to assure high quality of care, it also indicates the vast majority (75%) of non-participating physicians have made the choice not to participate their own.

Currently, 71% of the non-participating physicians report that they would not be willing to participate in the program (Figure 16). The unwilling physicians were asked to provide reasons for their unwillingness. Forty-one percent (41%) report that they do not wish to increase their involvement in managed care, Medicaid or otherwise. More than a quarter (27%) state that they are not willing to take on any additional Medicaid patients. Given these feelings about managed care and Medicaid in general, it is not surprising that more than half (59%) report that they are unwilling to participate in Medicaid managed care. It appears that the non-participating physicians are more concerned with increasing their managed care involvement, rather than having an aversion to Medicaid. Finally, 13% report that they do not have the capacity to take on any patients, and thus are unwilling to participate.

Figure 16.
Reasons for Non-Participating Physicians' Unwillingness to Participate in the Medicaid Managed Care Program

	Non-Participating Primary Care Physicians
% Unwilling to participate in the program	71%
Reasons for Unwillingness *	
Not willing to take on additional **Medicaid** patients	27%
Not willing to increase involvement in **managed care**	41%
Not willing to participate in **Medicaid managed care**	59%
Not willing because **practice is full**	13%

Source: 1999 Survey of Physicians Not Participating in Medicaid Managed Care
** More than one response possible*

Figure 17 details the conditions under which the non-participating physicians would be willing to participate in the Medicaid managed care program. The most common condition is higher reimbursement levels, eliciting 61% of the non-participants. A significant percentage (43%) report that they would be willing to participate if the capitation system were eliminated. One-third (33%) state that they would participate if they could control the number of managed care patients they would see under the plan. Twelve percent would participate if the plan(s) they currently participate in were to begin enrolling Medicaid patients. Finally, 20% report other conditions would need to exist for them to participate.

Figure 17.
Hypothetical Conditions under which Non-Participating Physicians Might Participate in the Medicaid Managed Care Program

	Non-Participating Primary Care Physicians
% Unwilling to participate in the program	71%
Conditions of Participation *	
Physician's plan(s) served Medicaid patients	12%
Physician could control number of Medicaid managed care patients seen under plan	33%
Reimbursement levels were higher	61%
Capitation system were eliminated	43%
Other	20%

Source: 1999 Survey of Physicians Not Participating in Medicaid Managed Care
** More than one response possible*

Many (29%) non-participating physicians included written comments regarding the conditions under which they might be willing to participate in the program. Most of these written comments simply restated the conditions examined above; however, two other categories emerge from these responses as well. Several respondents cited "eliminating the hassle factor" (e.g., prior approvals, retrospective denials, and delayed payments) of the Medicaid system and others cited perceived problems with Medicaid patient compliance (such as not keeping appointments, poor compliance with treatment regimens, and uncooperative attitudes). It was unclear from the responses whether non-participating physicians thought these problems were more serious under the Medicaid managed care program than under the fee-for-service program or were just problems of the Medicaid system in general.

F. Factors Associated with Expressed Willingness to Participate in Medicaid Managed Care by Non-Participating Physicians

Overall, 29% of the non-participating primary care physicians indicate that they would be willing to participate in Medicaid managed care. In this section, several factors are examined to determine their association with the expressed willingness to participate in the Medicaid managed care program.

The data and findings presented so far present the results and tables covering two variables at a time. This type of analysis, while valuable and worthwhile, does not allow one to control for the potentially confounding effects of other factors. For example, if younger physicians and female physicians are more likely to express a willingness to participate in the Medicaid managed care program, but female physicians are also significantly younger than male physicians, it is not possible to determine whether age, gender, or both are important factors in determining how willing to participate a physician might be.

The findings from the analyses above should be viewed as suggesting possible associations between relevant factors and willingness to participate in the program. In order to estimate the independent effect of each factor on the willingness to participate, a multivariate logistic regression analysis is employed. Specifically, the likelihood of being willing to participate in the Medicaid managed care program is regressed on the factors found to have statistically significant ($p \leq .05$) bivariate associations with willingness to participate in the program.

Figure 18 presents the factors to be included in the regression analysis and their bivariate associations with willingness to participate in the program.

Figure 18.
Bivariate Associations of Factors Affecting Willingness to Participate in the Medicaid Managed Care Program

	Chi Square	Degrees of Freedom
Gender	4.2 *	1
Race/Ethnicity (Non-white vs. white)	4.1 *	1
% of Patients in Medicaid fee-for-service	83.3 ***	6
1998 Primary Care Services Medicaid Reimbursement	27.4 ***	5
Practice Specialty	10.2 *	4
% of Patients in Managed Care	17.0 ***	6
Mandatory MMC Phase-In Status of Practice Location	28.7 ***	2
Practice Setting (Solo vs. all other)	12.7 ***	1
Lacking Board Certification, Appropriate Residency Training, and Hospital Admitting Privileges	5.7 *	1

** p Ω.05*
*** p Ω.01*
**** p Ω.001*

Source: 1999 Survey of Physicians Not Participating in Medicaid Managed Care

Figure 19.
Logistic Regression Analysis Results: Factors Associated with Willingness to Participate in the Medicaid Managed Care Program

	Coefficient	Standard Error of Coefficient	Odds Ratio
Female (Gender)	0.7181	0.4790	2.0504
Age	- 0.1818	0.1642	0.8338
Non-white (Race/Ethnicity)	0.2414	0.3609	1.2731
% of Patients in Medicaid fee-for-service	0.4217 ***	0.1227	1.5246
1998 Primary Care Services Medicaid Reimbursement	0.0000	0.0000	1.0000
Family Practice (Practice Specialty)	0.6078	0.5263	1.8364
Pediatrics (Practice Specialty)	- 0.6025	0.5475	0.5474
OB/GYN (Practice Specialty)	0.2873	0.6202	1.3328
Solo Practice (Practice Setting)	- 0.2187	0.5978	1.8364
Medium Managed Care Involvement (3% - 25% patients in MC)	0.3296	0.4759	1.3904
High Managed Care Involvement (26% + patients in MC)	0.6901	0.4849	1.9940
Practice in County Planned to Implement Mandatory MMC	1.4460 *	0.2355	4.2462
Practice in County Exempted from Mandatory MMC	1.4454 *	0.2356	4.2437
Lacking Board Certification, Appropriate Residency Training, and Hospital Admitting Privileges	0.1945	0.8232	1.2147

Model R^2 (Nagelkerke) = 0.29

** p Ω.05*
*** p Ω.01*
**** p Ω.001*

Source: 1999 Survey of Physicians Not Participating in Medicaid Managed Care

The results of the regression analysis (Figure 19) show that the only factors that have statistically significant effects on the willingness to participate (controlling for the other factors in the analysis) are the percentage of the physician's practice that is Medicaid fee-for-service and practicing in a county that is either planning to implement the mandatory Medicaid managed care or is exempted from the program. That is, physicians who have a higher percentage of Medicaid fee-for-service patients in their practices and physicians practicing in counties that are scheduled to implement mandatory Medicaid managed care or are exempted from the program are more likely to express a willingness to participate in the Medicaid managed care program independent of other characteristics these physicians might have.

The finding in the multivariate analysis that having a higher percentage of Medicaid fee-for-service participation is associated with a greater likelihood of willingness to participate in Medicaid managed care confirms the bivariate analysis presented above. In the bivariate analysis, a higher rate of participation in Medicaid fee-for-service is associated with a greater likelihood of willingness to participate in Medicaid managed care. This finding reveals the value of a multivariate analysis that simultaneously controls for the effects of a host of factors associated with a physician's willingness to participate in the program. That is, the confounding effects of other factors are filtered out so that the net effects of any one factor can be determined. This finding is supported in part by DOH data for the Second Quarter of 1998 which shows that 50% of the physicians participating in Medicaid managed care were not participating in Medicaid fee-for-service.

VI. DISCUSSION

A. Ability to Participate in Medicaid Managed Care

As explained previously, 44% of the genuine non-participating physicians lacked one or more of the prerequisites to be available and able to be a participating primary care physician: ability to accept new patients; 24 hour backup coverage; at least 16 hours of patient care per week at a site; and board certification, or graduate from an accredited residency program, or hospital admitting privileges. While few of these limitations are immutable, they may, nevertheless, help explain some of the non-participation.

Comparing the physicians participating in Medicaid managed care to those who are not participating, the single most notable difference between the two groups is the prevalence of solo practice arrangements in the non-participant group. The percentage of non-participating physicians in solo practice is twice that of primary care physicians in Medicaid fee-for-service[6] (63% versus 31%). One possibility may be that solo practitioners are less able to assume the financial risk associated with managed care – particularly with capitated payments. Solo practitioners may also have a difficult time with the administrative responsibilities associated with managed care. Moreover, solo practice may also be associated with a stronger belief on the part of the physician in the value of independence. However, there is no way to test these possibilities with the available survey data.

The data clearly indicate that physicians not participating in the Medicaid managed care program tend not to participate in any managed care and tend to have fewer Medicaid patients of any type when compared to primary care physicians participating in the

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[6] Some of the difference in the percentage in solo practice reflects the fact that some physicians practicing in Article 28 clinics, such as hospital sponsored clinics and community health centers, are in the HPN file on currently participating physicians but were *not* in the database of non-participating physicians. This occurs because under the Medicaid fee-for-service system, services provided by these physicians in a facility are billed by the facility; thus the physician's name does not appear on the bill. This is one of the reasons there are few facility-based physicians in the Medicaid fee-for-service file. Under managed care, these physicians must be individually credentialled and approved to be a PCP, and hence, appear in the HPN file. Having facility-based physicians in the file for participating physicians lowers the percentage of physicians in other settings, such as in solo practice. However, this explains only a small part of the difference between the two groups with regard to their practice settings.

Medicaid managed care program. For example, 36% of the genuine non-participating physicians have less than 10% of their patients in managed care compared to only 6% for physicians who are participating.

With respect to practice specialties, non-participating physicians are more likely to be internists (61% versus 41%) and less likely to be pediatricians (10% versus 25%) compared to physicians in Medicaid managed care. Given the disproportionate number of Medicaid managed care patients who are children, it may be that pediatricians have a greater incentive to participate in Medicaid managed care.

Although primary care physicians not participating in Medicaid managed care have a lower rate of board certification (74%) than participating physicians (83%), approximately the same percentage have graduated from an accredited residency program. Thus, it does not appear that educational preparation or board certification significantly impact on participation rates.

Concerning the question of which party made the decision not to participate in Medicaid managed care, 75% of those who considered participating in the program report that they, not the plan, made the decision not to participate. This suggests plan policies are not a major issue in non-participation in the program. However, it may be that some physicians choose not to apply for participation in managed care due to the belief that they might be rejected by a plan. One reason for deciding not to apply might be if a physician has been disciplined by the Office of Professional Medical Conduct (OPMC) and thinks this will make it difficult to be approved as a PCP. While genuine non-participating physicians are more likely to have been disciplined by OPMC in the past several years, the rate for both participating and non-participating physicians is so low (2.8% versus 1.2%) as to suggest it is a negligible factor in non-participation rates.

B. Willingness to Participate in the Medicaid Managed Care Program

Overall, 29% of the genuinely non-participating physicians state they are willing to participate in the Medicaid managed care program. Moreover, of the 71% who state they would not participate in Medicaid managed care, almost three-quarters indicate a conditional willingness to participate. Of those who are unwilling to participate in

Medicaid managed care, 12% state that they would be willing to participate if the managed care plans they participate in begin to serve Medicaid patients. This group presumably represents physicians most likely to participate, since the only limiting factor to their participation is that their managed care plan(s) do not currently serve Medicaid patients.

Another factor in Medicaid managed care participation is familiarity with the program. Thirty-seven percent (37%) of the respondents report they are not at all familiar with the Medicaid managed care program. Generally, physicians practicing in counties which had implemented or are planning to implement mandatory Medicaid managed care are more likely to indicate they are very familiar with the program, than those who are practicing in exempt counties. Furthermore, multivariate analysis shows that non-participating physicians with practices in mandatory Medicaid managed care counties are less likely to express willingness to participate in Medicaid managed care. Thus, as implementation of the mandatory program proceeds, familiarity with the program may increase. At the same time, once the mandatory program is implemented, non-participating are not likely to be open to participate.

It is clear that references to "Medicaid" and "managed care" elicit strong feelings on the part of many of the non-participating physicians. This is evident not only in their written survey responses, but also in their phone calls to CHWS. Eight separate letters, some including extensive collections of magazine and/or newspaper articles were sent to CHWS. All of these responses complain about low reimbursement rates and bureaucratic red tape associated with the Medicaid fee-for-service program. A similar number of phone calls were also received by CHWS on the same subject. Reimbursement rates in New York State under Medicaid Fee-for-Service are among the lowest in the nation. Many physicians perceive the reimbursements of $10 to $12 for office visits as a lack of appreciation by the State for the services provided by these physicians and/or a lack of commitment to the care of Medicaid patients.

Based on the survey responses, it appears that many physicians view the Medicaid managed care program from the perspective of their experience with the Medicaid fee-

for-service program. Whether that view will change as familiarity with the Medicaid managed care program increases is an open question. In light of these findings, a challenge to OMC will be to make participation in the Medicaid managed care program a better experience than participation in the Medicaid fee-for-service program, as well as to communicate that fact early (prior to the implementation of the mandatory program) and effectively to the physicians.

C. Impact of Non-Participation on the Availability of Primary Care Services for Individuals Enrolled in Medicaid Managed Care

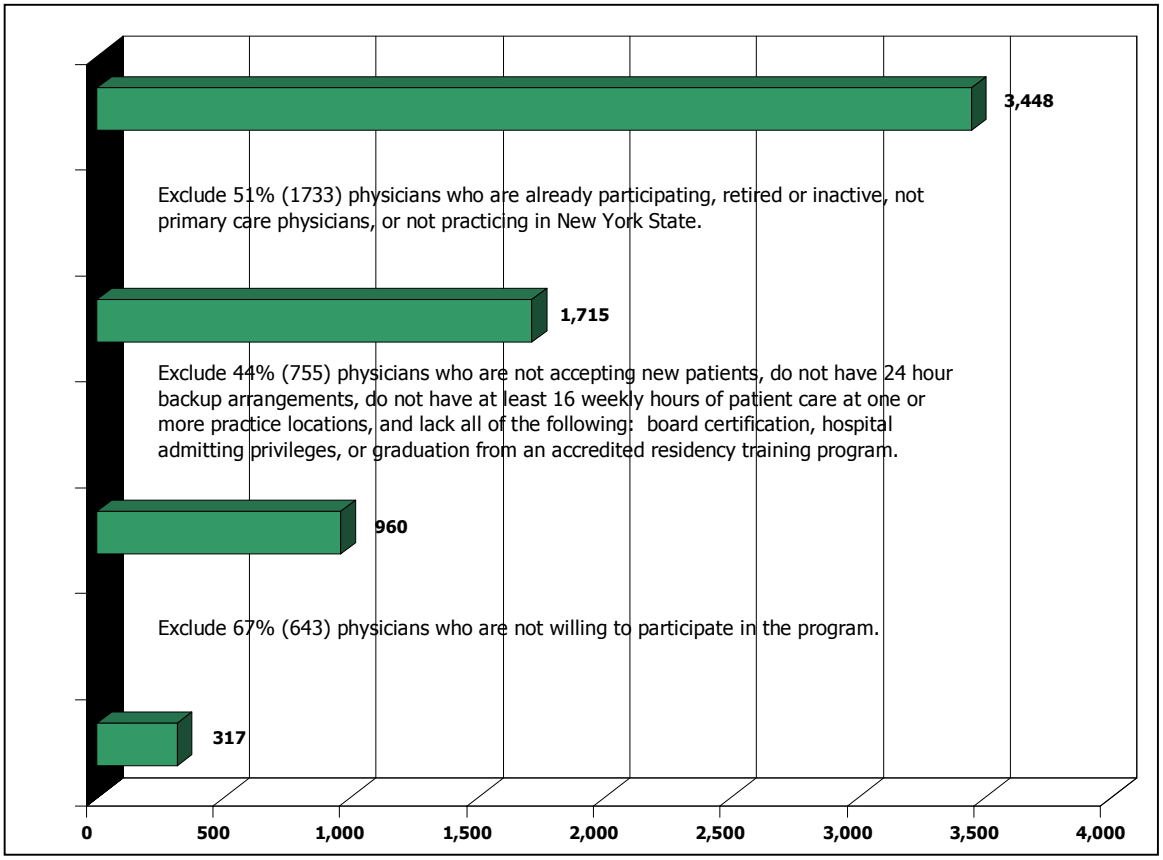
One of the goals of this study is to estimate how the non-participating primary care physicians are affecting the supply of physicians in the Medicaid managed care program. One way to accomplish this goal is to estimate the number of potential participants exist within the non-participant group. As presented earlier, 51% of the presumed non-participating primary care physicians are not genuine non-participants. The most important reasons for excluding physicians as genuine non-participants are that they are already participating, they do not have either a principal or secondary primary care practice specialty, or they are inactive in medicine or retired.

Of the primary care physicians available to the Medicaid managed care program only 56% meet the basic qualifications for participation in Medicaid managed care (i.e., they can accept new patients, have 24 hour backup arrangements, have at least 16 weekly hours of patient care at one or more practice locations, and have at least one of the following: board certification, hospital admitting privileges, or graduation from an accredited residency training program). Applying this percentage to the extrapolated physician counts, there are an estimated 960 non-participating physicians who are available and able to participate in the program. Thus, of the original group of presumed non-participants only 25% remain as available and eligible to participate in the Medicaid managed care program.

Given that 25% of the presumed non-participants are available and able to be new participants in the Medicaid managed care program, further analysis is required to determine how many of those are also willing to participate. Based upon the survey results, 33% of the physicians who are available and able indicated that they were also

willing to participate in the program. Applying this to the extrapolated physician counts, there are 317 non-participating physicians who are available, able, and willing to participate in the Medicaid managed care program. Figure 20 illustrates the steps taken to come to this conclusion.

Figure 20.
Estimated Physicians Available, Able, and Willing to Participate in the Medicaid Managed Care Program



In terms of the policy relevance of the findings it should be noted that 21% of the non-participating primary care physicians have principal practice locations in the 32 counties that are exempt from mandatory Medicaid managed care. Further, 15 of those counties do not even have a voluntary Medicaid managed care program. Therefore, the final estimated number of available, able, and willing physicians among those not participating in Medicaid managed care is probably less than 317. However, we are not able to make a more specific estimate with existing data.

There is no way to determine accurately with the available data how many full time equivalent physicians the estimated 317 available, able, and willing physicians potentially represent.

There is a concern that physicians who participate in the Medicaid Fee-for-Service program but not in the Medicaid managed care program, may opt out of the Medicaid program altogether as counties implement the mandatory managed care program. However, this is not supported by the data which show higher participation rates in counties with mandatory enrollment. Another important point to keep in mind is that fee-for-service medicine will continue for the elderly and special needs populations in areas that implement mandatory Medicaid managed care because these groups are presently exempt from the mandatory program. Thus, primary care physicians who do not participate in the Medicaid managed care program will continue to be able to serve many Medicaid patients.

Data from the CHWS 1997-1999 NYS Physician Licensure Re-registration Survey suggest that there are almost 20,000 primary care physicians in New York State. That number is far greater than the 12,000 plus primary care physicians participating in the Medicaid managed care program. To the extent that the Medicaid program can become more user-friendly and attractive option for primary care physicians, there should be opportunities to increase capacity by enrolling physicians from the general pool of primary care practitioners in the state.

APPENDIX A: SURVEY INSTRUMENT

PLEASE DO NOT WRITE IN THIS AREA

SERIAL #

14. Please indicate the average number of hours per week you spend in **primary care** at your principal and secondary practice locations:

Principal Location

Primary Care Hours

0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9

Zip Code

0	0	0	0	0
1	1	1	1	1
2	2	2	2	2
3	3	3	3	3
4	4	4	4	4
5	5	5	5	5
6	6	6	6	6
7	7	7	7	7
8	8	8	8	8
9	9	9	9	9

Secondary Location

Primary Care Hours

0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9

Zip Code

0	0	0	0	0
1	1	1	1	1
2	2	2	2	2
3	3	3	3	3
4	4	4	4	4
5	5	5	5	5
6	6	6	6	6
7	7	7	7	7
8	8	8	8	8
9	9	9	9	9

15. Please select the description that best describes your principal and secondary practice location(s):

	Principal	Secondary
Solo practice	○	○
Partnership	○	○
Owner/Partner in group practice	○	○
Salaried/Employee of group practice	○	○
Free standing health center	○	○
Staff model HMO	○	○
Hospital–ambulatory care	○	○
Other: _____	○	○

16. Age:

- ○ <35
- ○ 35–44
- ○ 45–54
- ○ 55–64
- ○ 65–74
- ○ 75+

17. Gender:

- ○ Female
- ○ Male

18. Race/Ethnic background:

- ○ Alaskan Native/Native American
- ○ Asian or Pacific Islander
- ○ Black/African American (Not Hispanic)
- ○ Hispanic/Latino(a)
- ○ White (Not Hispanic)
- ○ Other: _____

19. Location of Medical Education:

- ○ New York State
- ○ Other United States
- ○ Canada
- ○ Other Foreign Country

THANK YOU FOR TAKING THE TIME TO HELP IN THIS STUDY!

Please return the completed questionnaire in the enclosed business reply envelope to:

Center for Health Workforce Studies
School of Public Health, University at Albany
One University Place, Suite 200
Rensselaer, NY 12144-3456

If you have questions about the questionnaire or the study, please feel free to call the Center at: 518-402-0250

1999

Survey of Physician Non-Participation in Medicaid Managed Care

Center for Health Workforce Studies
School of Public Health, University at Albany, SUNY

Your response is confidential.
Data will be reported only in regional tabulations and summaries.

Marking Instructions

- Use a No. 2 pencil or blue or black ink pen only.
- Do not use pens with ink that soaks through the paper.
- Make solid marks that fill the circle completely.
- Make no stray marks on this form.

Correct Mark ● Incorrect Marks ✓ ✗ ◒ ⊙

Please mark only one answer for each question unless otherwise directed.

1. Current work status in medicine:

- ○ Full-time (30+ hours per week)
- ○ Part-time (less than 30 hours per week)
- ○ Inactive
- ○ Retired

2. Are you currently participating in Medicaid managed care in New York State?

- ○ Yes
- ○ No

NOTE: If you participate in Medicaid managed care or are inactive in medicine or retired, PLEASE STOP HERE and return the questionnaire in the provided business reply envelope.

3. Please indicate if your principal specialty and/or your secondary specialty is one of the following:

	Principal Specialty	Secondary Specialty
Family Practice	○	○
Internal Medicine (General)	○	○
Pediatrics (General)	○	○
Obstetrics/Gynecology	○	○
General Practice	○	○

NOTE: If you do not practice in one of the specialties listed above, PLEASE STOP HERE and return the questionnaire in the provided business reply envelope.

4. Average **patient care** hours per week spent in the above specialties:

- ○ 1–4 hrs.
- ○ 5–9 hrs.
- ○ 10–14 hrs.
- ○ 15–19 hrs.
- ○ 20–24 hrs.
- ○ 25–29 hrs.
- ○ 30–34 hrs.
- ○ 35–39 hrs.
- ○ 40–44 hrs.
- ○ 45+ hrs.

5. Are you accepting new patients of any type? *(Please mark one only.)*

Yes
- ○ I could see a few new patients.
- ○ I could see many new patients.

No
- ○ My practice is full.
- ○ I am seeking to reduce size of practice.

6. Please indicate your level of familiarity with the Medicaid managed care program:

- ○ Very familiar
- ○ Somewhat familiar
- ○ Not familiar at all

7. Did you ever consider participating in a Medicaid managed care plan?

- ○ Yes → **Was the decision not to participate in the Medicaid managed care plan made by you or the plan(s)?**
  - ○ Self ○ Plan(s)
- ○ No

8. Are you willing to participate in a Medicaid managed care plan?

- ○ I am willing to participate.
- ○ I am **not** willing to participate. →

Which of the following statements apply: *(Please mark all that apply.)*
- ○ I am not willing to take on additional **Medicaid** patients, regardless of payment source (fee for service or managed care).
- ○ I am not willing to increase any involvement in **any managed care.**
- ○ I am not willing to participate in **Medicaid managed care.**
- ○ My practice is full.

9. This question asks you to indicate your willingness to participate in a Medicaid managed care plan under a number of hypothetical conditions.

I would be willing to participate in a Medicaid managed care plan IF . . . *(Mark all that apply.)*
- ○ The managed care plan(s) in which I participate were to begin to serve Medicaid patients.
- ○ Assurances were provided that a physician controls the number of Medicaid managed care patients he/she sees under the plan.
- ○ Reimbursement levels were higher.
- ○ The capitation system of physician payment were eliminated.
- ○ Other, please specify: _____

10. The Medicaid managed care program has a number of requirements for physicians to be eligible to participate. Did (or do) any of the following prevent you from participating in the program? *(Mark all that apply.)*
- ○ A minimum of 16 patient care hours at each site (8 hours in a Health Professional Shortage Area)
- ○ Board-certification or board-eligibility in area of specialty
- ○ Completion of an accredited residency program in area of specialty
- ○ Hospital admitting privileges
- ○ 24-hour backup arrangements

11. What percentage of your current patients have **managed care** of any kind as their source of payment?

○ None ○ 0–2% ○ 3–10% ○ 11–25% ○ 26–50% ○ 51–75% ○ 76–100%

12. What percentage of your current patients have **Medicaid fee for service** as their source of payment?

○ None ○ 0–2% ○ 3–10% ○ 11–25% ○ 26–50% ○ 51–75% ○ 76–100%

13. Do you participate in **Child Health Plus?**

- ○ Yes → **How many children do you care for whose services are paid for through Child Health Plus?**
  - ○ None
  - ○ 1–50
  - ○ 51–100
  - ○ 101–200
  - ○ 201–300
  - ○ 301–400
  - ○ 401–500
  - ○ 501+
- ○ No

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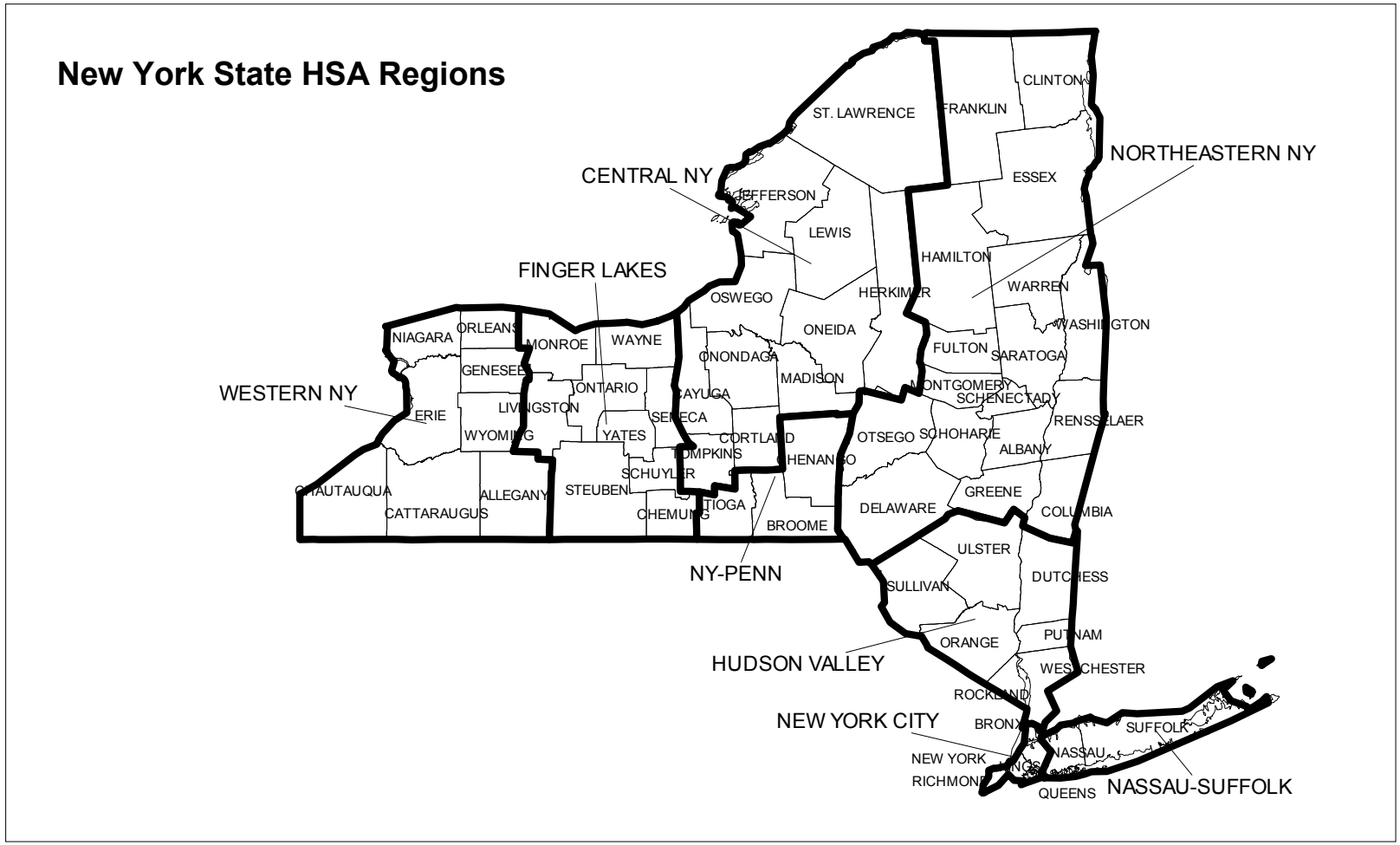
APPENDIX B: NEW YORK STATE HSA REGIONS


New York State HSA Regions
CENTRAL NY
FINGER LAKES
WESTERN NY
NY-PENN
HUDSON VALLEY
NEW YORK CITY
NORTHEASTERN NY
NASSAU-SUFFOLK
ST. LAWRENCE
FRANKLIN
CLINTON
ESSEX
JEFFERSON
LEWIS
HAMILTON
WARREN
WASHINGTON
OSWEGO
HERKIMER
ONEIDA
FULTON
SARATOGA
NIAGARA
ORLEANS
MONROE
WAYNE
ONONDAGA
MADISON
MONTGOMERY
SCHENECTADY
GENESEE
ONTARIO
CAYUGA
LIVINGSTON
SENECA
ERIE
WYOMING
YATES
CORTLAND
OTSEGO
SCHOHARIE
RENSSELAER
ALBANY
TOMPKINS
CHENANGO
SCHUYLER
CHAUTAUQUA
ALLEGANY
STEUBEN
GREENE
TIOGA
DELAWARE
COLUMBIA
CATTARAUGUS
CHEMUNG
BROOME
ULSTER
DUTCHESS
SULLIVAN
PUTNAM
ORANGE
WESTCHESTER
ROCKLAND
BRONX
SUFFOLK
NASSAU
NEW YORK
KINGS
RICHMOND
QUEENS

APPENDIX C: NEW YORK STATE HEALTH SERVICE AREAS

Health Service Area	**Counties**
Western New York	Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans, Wyoming
Finger Lakes	Chemung, Livingston, Monroe Ontario, Schuyler, Seneca, Steuben, Wayne, Yates
Central New York	Cayuga, Cortland, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence, Tompkins
NY–Penn	Broome, Chenango, Tioga
Northeastern New York	Albany, Clinton, Columbia, Delaware, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Otsego, Rensselaer, Saratoga, Schenectady, Schoharie, Warren, Washington
Hudson Valley	Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester
New York City	Bronx, Kings, New York, Queens, Richmond
Nassau–Suffolk	Nassau, Suffolk

APPENDIX D: IMPLEMENTATION OF MANDATORY MEDICAID MANAGED CARE IN NEW YORK STATE BY COUNTY

Implemented	**Planned**	**Exempt**
Albany	Chautauqua	Allegany
Broome	Cortland	Cattaraugus
Columbia	Duchess	Cayuga
Erie	Herkimer	Chemung
Greene	Livingston	Chenango
Niagara	Nassau	Clinton
Rensselaer	Northeast Brooklyn	Delaware
Saratoga	Northeast/Central Queens	Essex
Monroe	Northern Bronx	Franklin
Onondaga	Northern Manhattan	Fulton
Ontario	Northwest Brooklyn	Genesee
Oswego	Northwest Queens	Hamilton
Schenectady	Oneida	Jefferson
Westchester	Orange	Lewis
	Rockland	Madison
	Southeast Queens	Montgomery
	Southern Bronx	Orleans
	Southern Brooklyn	Otsego
	Southern Manhattan	Putnam
	Staten Island	Schoharie
	Suffolk	Schuyler
	Wayne	Seneca
		St. Lawrence
		Steuben
		Sullivan
		Tioga
		Tompkins
		Ulster
		Warren
		Washington
		Wyoming
		Yates

Note: The implementation status of these areas reflects their status at the time of the survey (October 1999).