

August 29, 2024

Leadership of the North Carolina General Assembly
16 W Jones St
Raleigh, North Carolina

Dear Representative Moore & Senator Berger,

On behalf of the North Carolina Medical Society, we ask for your consideration and support of legislation aimed at increasing the Medicaid rebase in our state by roughly \$458 million for the second year of the biennium. As partners in advocating for and providing quality health care to North Carolinians, we support this critical adjustment for our state's Medicaid providers and urge you to do the same.

Many North Carolina physicians who provide specialty care have not received an increase in the rate of their reimbursement for the provision of Medicaid services in over 10 years. Adequate Medicaid reimbursement is crucial to expanding access to healthcare services for underserved populations. By increasing the Medicaid rebase and including physician rate increases, more physicians will be able to continue to serve NC Medicaid patients. Increased rates will ensure that more individuals, particularly those with low incomes, have access to the greatest range of providers in our state.

Additionally, many healthcare providers are experiencing significant burnout due to the financial pressures of delivering care under current reimbursement rates in Medicaid. Increasing costs and skyrocketing inflation in services, treatments, and the management of healthcare services only add to this burnout. An increased Medicaid rate would help alleviate some of these pressures, allowing physicians to focus more on patient care rather than financial constraints, leading to a healthier more robust workforce.

North Carolina Medicaid could face an 8% fiscal cut in the coming biennium. If funding is delayed beyond November, the reduction could be as severe as 16%. This lack of funding would be devastating for North Carolina patients who rely on Medicaid and cannot afford to pay for care out-of-pocket. It would also continue to exacerbate the lack of providers in this space and further decrease access to imperative healthcare for North Carolinians.

I urge you to prioritize increasing the Medicaid rebase and physician reimbursement rates in your legislative agenda this fall to make a positive impact on our healthcare system. The North Carolina Medical Society is committed to helping you do this, and we welcome the opportunity to support your efforts to increase the Medicaid rebase and physician fee schedule before February 2025.

Thank you for your service to the State of North Carolina and for your continued commitment to protecting the health and safety of all North Carolinians.

Sincerely,

A handwritten signature in black ink that reads "Chip Baggett". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Chip Baggett
Executive Vice President, CEO
North Carolina Medical Society