

STATISTICAL BRIEF #504

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Differences in Payments for Child Visits to Office-Based Physicians: Private versus Medicaid Insurance, 2010 to 2015

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Introduction

The degree of access to medical care for poor children has historically been a significant health policy issue. The joint federal-state Medicaid program, which covers certain types of low-income persons including children and their eligible parents, typically pays physicians less than private insurers. Given these generally lower reimbursement rates, children enrolled in Medicaid may have more difficulty gaining access to physicians, obtaining timely appointments or getting referrals to specialists than their privately insured counterparts.

Based on data from the Household Component of the Medical Expenditure Panel Survey (MEPS-HC), in 2015 there were an estimated 152 million child visits to office-based physicians among approximately 74 million children less than 18 years of age. An estimated 87.5 percent of all child visits to office-based physicians were paid fully or in part by private insurance (52.3 percent) or by Medicaid (35.2 percent)¹.

This Statistical Brief uses MEPS-HC data for each year from 2010 through 2015 to examine trends and differentials in total payments per visit for child visits to office-based physicians covered by Medicaid versus Private insurance (see 'Definitions'). In addition, data for 2014-15 were pooled in order to examine estimates of Medicaid/Private payment gaps by Census geographic region and by specialty type, which are two factors generally associated with the amount paid for office-based physician visits.

Estimates presented in this Brief pertain to visits by children less than 18 years of age in the U.S. civilian noninstitutionalized population. Differences shown may reflect variations in generosity of payer source and/or differences in intensity of services provided across visits. Only differences in estimates between visits covered by Medicaid versus private insurance that are statistically significant at the .05 level or better are highlighted in the text.

Findings

Per visit payments (figures 1-2)

Differences in both mean (figure 1) and median (figure 2) total payments per visit between Medicaid and privately covered child visits to office-based physicians were fairly consistent from 2010 through 2015. In 2015, mean total payments were \$88 higher for visits covered by private insurance than those covered by Medicaid (\$214 versus \$126). However, the magnitude of the difference in median total payments of \$44 was notably smaller (\$126 for private insurance versus \$82 for Medicaid-covered visits). The larger gap in mean than median total payments is attributable to a greater preponderance of very expensive privately covered visits. For example, in 2015, the average total payments for the 10 percent most costly privately insured child visits were \$406 or more but were only \$215 or more for the most expensive 10 percent of Medicaid covered child visits (estimates not shown in a figure).

Distributions of visits by region and physician specialty (figure 3)

Geographic region and physician specialty type are factors generally associated with the amount paid for child visits to office-based physicians. Figure 3 compares the distributions of these characteristics in 2014-15 for Medicaid versus privately covered visits. The most notable regional difference is that the proportion of visits by children in the South was higher for the Medicaid than the privately insured group (42.2 percent versus 33.6 percent, respectively). With respect to physician specialty, the proportions of child visits to physicians in primary care, pediatrics and ophthalmology did not vary significantly by type of insurance. However, visits to psychiatrists comprised a higher proportion of all Medicaid covered visits than all privately insured visits (8.9 percent versus 4.7 percent respectively). Conversely, higher proportions of privately insured than Medicaid visits were to orthopedists (4.0 percent versus 2.2 percent) and to the range of other specialties combined (see 'Definitions') that were not shown separately (14.7 percent versus 11.0 percent).

Per visit payments by region and physician specialty (figures 4-5)

In 2014-2015, mean total payments per child visit to office-based physicians were higher for privately insured than Medicaid covered visits in each of the four Census regions and there was also no significant variation across regions in the magnitude of the Private/Medicaid payment gaps (figure 4). Mean total payments per child visit were also higher for privately insured than Medicaid covered visits in each physician specialty category. When comparing Private/Medicaid payment differences in mean total payments per visit across physician specialty categories, only the \$261 difference for orthopedist visits (\$423 versus \$162) relative to the \$52 gap for primary care visits (\$174 versus \$122) was statistically significant (figure 5)².

Highlights

- In 2015, mean total payments per child visit to office-based physicians were \$88 higher for visits covered by private insurance than for those covered by Medicaid. This gap has been fairly stable since 2010.
- In 2014-15, mean total payments per child visit to office-based physicians were higher for privately insured than Medicaid covered visits across Census regions and physician specialties.
- In 2014-15, the magnitude of the payment gap between Medicaid-covered and privately insured child visits to office-based physicians did not vary significantly by Census region.
- In 2014-15, although the payment gap between privately insured and Medicaid covered child visits did not vary significantly between most physician specialties, the gap was larger for visits to orthopedists than for visits to primary care physicians.

¹Most of the remaining 12.5 percent of child visits to office-based physicians were paid entirely out of pocket or covered by state and local programs or other miscellaneous sources. For a small number of visits, physicians did not receive any payment.

²In 2014-15, on average, about 16 percent of private insurance-covered child visits and the same proportion of Medicaid-covered visits involved the receipt of vaccinations; and these vaccinations were mostly provided by primary care physicians or pediatricians. The Private/Medicaid payment gaps for these two specialty categories may be slightly exaggerated due to the Vaccines for Children Program (VCP) which provides doctors free vaccines for some children on Medicaid (<https://www.cdc.gov/vaccines/programs/vfc/parents/qa-detailed.html>). This would reduce Medicaid payments for VCP visits relative to payments for a private insured visit involving vaccination.

Data Source

The estimates in this Statistical Brief are based on data from the MEPS-HC 2010-2015 Office-Based Medical Provider Visits files and the corresponding Full Year Consolidated data files. These files are available at: https://meps.ahrq.gov/mepsweb/data_stats/download_data_files.jsp.

Definitions

Medicaid covered visit

Visits were classified as covered by Medicaid if some payments were made by that source (e.g., OBMD14X>0).

Private insurance covered visit

Visits for which no payments were made by Medicaid (e.g., OBMD14X=0) and some payments were made by a private insurance source (e.g., OBPV14X>0) were classified as covered by Private Insurance.

Visits for which no payments were made by Medicaid or private insurance (e.g., OBMD14X=0 and OBPV14X=0) were not included in this analysis.

Visit payments

Per visit payments (i.e., mean and median) were based on the total payments made for the visit (e.g., OBXP14X), which included the payment made by the particular insurance source (i.e., Medicaid or Private Insurance) plus payments made from all other sources (see Section 2.5.6.9) Office-Based Expenditure Variables (e.g., OBSF14X - OBTC14X) https://meps.ahrq.gov/data_stats/download_data/pufs/h168g/h168gdoc.pdf.

Mean total payments for both Medicaid- and private insurance-covered visits included some supplemental payments from other sources. For example, in 2015, of all the Medicaid-covered child visits, 95 percent were paid fully by Medicaid while 5 percent had supplemental payments made from other sources (i.e., 4 percent involved out of pocket payments and 1 percent involved payments from other miscellaneous sources). Of all the private insurance-covered visits, 41 percent were paid fully by private insurance, and the remaining visits were supplemented with out-of-pocket payments (58 percent) and payments from other miscellaneous sources (1 percent).

Region (Census)

These regions stratify States into the following four categories:

- I. Northeast: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, New Jersey, New York, Pennsylvania.
- II. Midwest: Indiana, Illinois, Michigan, Ohio, Wisconsin, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota.
- III. South: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia, Alabama, Kentucky, Mississippi, Tennessee, Arkansas, Louisiana, Oklahoma, Texas.
- IV. West: Arizona, Colorado, Idaho, New Mexico, Montana, Utah, Nevada, Wyoming, Alaska, California, Hawaii, Oregon, Washington.

Specialty type

MEPS respondents who reported an office-based visit in which a medical doctor was seen were asked a question to identify the doctor's specialty. There were 34 response categories including the other category for coding the specialty type reported. In this report, visits were classified into the 5 most commonly reported physician type categories seen by children and a sixth residual category as follows: 1) primary care (includes family practice, general practice and internal medicine), 2) pediatrician, 3) psychiatrist, 4) ophthalmologist, 5) orthopedist and 6) all other specialties combined (includes unknown). Of the child visits covered by Medicaid or private insurance in the 'others' category of physicians' specialties in the combined data from 2014 to 2015 (figure 3), on average, 87.5 percent of the cases represent specialties that are not specified in the MEPS public-use file. The remaining 12.5 percent includes specialties that are specified as plastic surgery, physical medicine/rehabilitation, rheumatology (arthritis), oncology, anesthesiology, thoracic surgery, and hospital residence.

About MEPS-HC

MEPS HC is a nationally representative longitudinal survey that collects detailed information on health care utilization and expenditures, health insurance, and health status, as well as a wide variety of social, demographic, and economic characteristics for the U.S. civilian noninstitutionalized population. It is cosponsored by the Agency for Healthcare Research and Quality and the National Center for Health Statistics.

References

MAPAC. *Medicaid Access in Brief: Children's Difficulties in Obtaining Medical Care*. Issue Brief. July 2014.

For a detailed description of the MEPS HC survey design, sample design, and methods used to minimize sources of nonsampling error, see the following publications:

Cohen, J. *Design and Methods of the Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 1. AHCPR Pub. No. 97-0026. Rockville, MD. Agency for Health Care Policy and Research, 2001.
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Cohen, S. Design Strategies and Innovations in the Medical Expenditure Panel Survey. *Medical Care*, July 2003: 41(7) Supplement: III-5–III-12.

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Suggested Citation

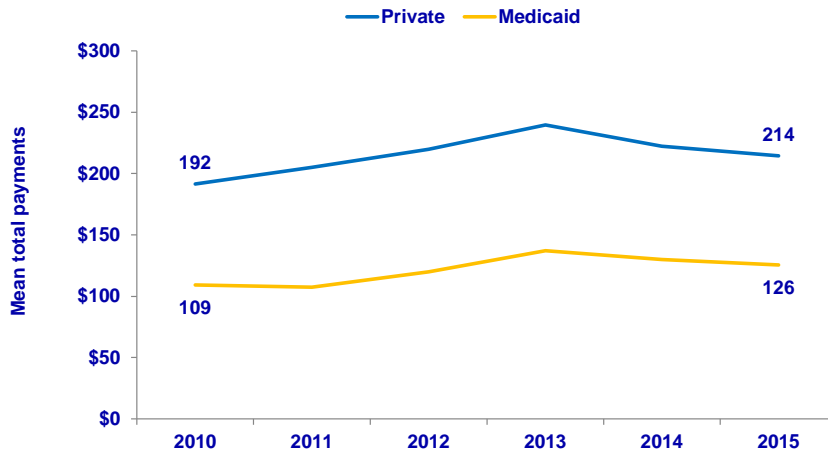
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http://www.meps.ahrq.gov/mepsweb/data_files/publications/st504/stat504.pdf

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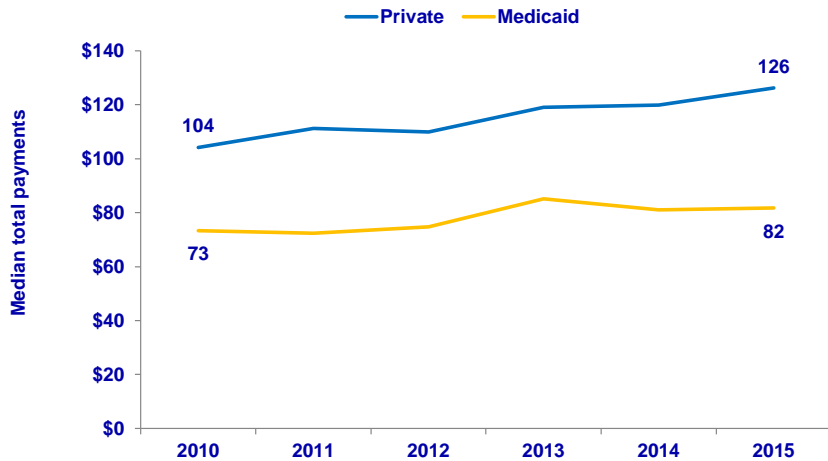
Figure 1. Mean total payments per child visit to office-based physicians: Private versus Medicaid insurance, 2010 to 2015



Source: Medical Expenditure Panel Survey – Household Component, 2010-2015 Office-Based Medical Provider Visits files and corresponding Full Year Consolidated data files



Figure 2. Median total payments per child visit to office-based physicians: Private versus Medicaid insurance, 2010 to 2015



Source: Medical Expenditure Panel Survey – Household Component, 2010-2015 Office-Based Medical Provider Visits files and corresponding Full Year Consolidated data files



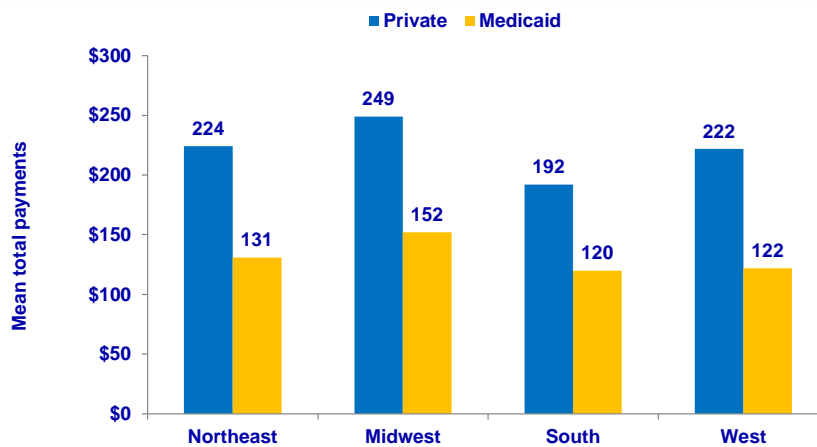
Figure 3. Percentage distributions of child visits to office-based physicians according to selected characteristics: Private versus Medicaid insurance, 2014-15 annual average

Characteristic	Private	Medicaid
Region	100%	100%
Northeast	22.0	18.7
Midwest	22.1	17.7
South	33.6	42.2
West	22.4	21.4
Physician Specialty Type	100%	100%
Primary Care	14.4	16.2
Pediatrics	58.2	58.4
Psychiatry	4.7	8.9
Ophthalmology	4.0	3.3
Orthopedics	4.0	2.2
Others	14.7	11.0

Source: Medical Expenditure Panel Survey – Household Component, 2010-2015 Office-Based Medical Provider Visits files and corresponding Full Year Consolidated data files



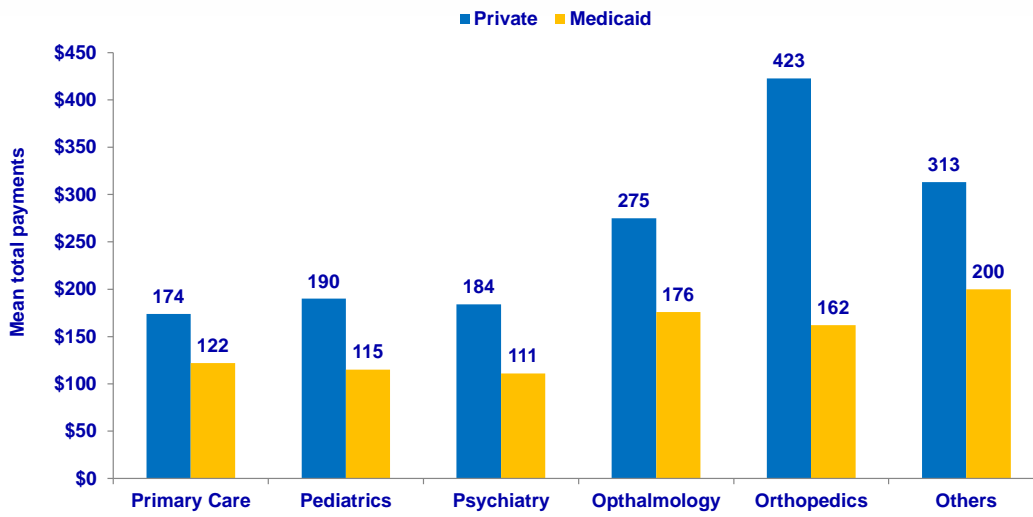
Figure 4. Mean total payments per child visit to office-based physicians by region: Private versus Medicaid insurance, 2014-15 annual average



Source: Medical Expenditure Panel Survey – Household Component, 2010-2015 Office-Based Medical Provider Visits files and corresponding Full Year Consolidated data files



Figure 5. Mean total payments per child visit to office-based physicians by specialty: Private versus Medicaid insurance, 2014-15 annual average



Source: Medical Expenditure Panel Survey – Household Component, 2010-2015 Office-Based Medical Provider Visits files and corresponding Full Year Consolidated data files