Arizona Medicaid Study: Exclusion of Podiatric Physicians and Surgeons Adversely Impacted Diabetic Patient Health, Program Finances

Arizona's decision to jettison Medicaid patient access to doctors of podiatric medicine (also referred to as DPMs, or podiatrists) has led to a "marked worsening of outcomes and cost for patients with diabetic foot infections," according to a new peer-reviewed study released at the 73rd Scientific Sessions of the American Diabetes Association (June, 2013).

The study concludes that each $1 of Medicaid program "savings" the state anticipated from the elimination of podiatric medical and surgical services actually increased costs of care by $44.

In *Foot in Wallet Disease: Tripped up by "Cost Saving" Reductions*, researchers Grant H. Skrepnek, PhD, RPh, Joseph L. Mills, MD, and David G. Armstrong, DPM, MD, PhD, analyzed data for all Medicaid diabetic foot infection hospital admissions across the state over five years (2006—2010), a time period before and after the state's decision in 2009 to exclude DPMs from its Medicaid program.

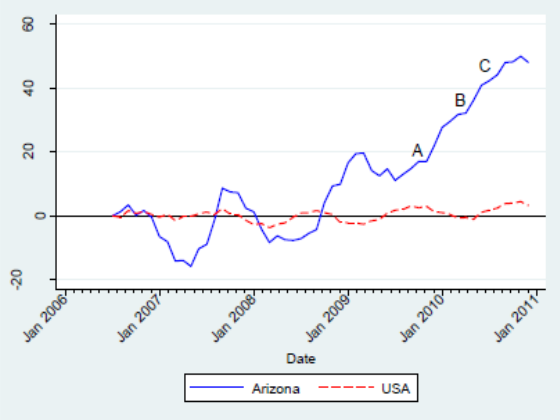
The study found a significant decline in quality outcomes and higher program expenditures among those diagnosed with a diabetic foot infection, including:

- **37.5-percent increase** in diabetic foot infection hospital admissions;
- **28.9-percent longer** lengths of patient stay;
- **45.2-percent higher** charges, and
- a nearly **50-percent increase** in severe aggregate outcomes (e.g., death, amputation, sepsis, or surgical complications).

Importantly, the data reveal that the vast majority of the worsening of diabetic foot infection patient health outcomes and increased costs occurred during the 2009—2010 time window, coinciding with Arizona's policy change to exclude patient access to foot and ankle care provided by DPMs.

Inpatient Diabetic Foot Infections among Arizona Medicaid Beneficiaries 2006—2010

Percent Change from Baseline, Six-Month Moving Average



Timepoint A: *Announced recommendation to eliminate reimbursements to podiatrists within Arizona Health Care Cost Containment System, AHCCCS (i.e., Arizona Medicaid); Arizona 49th Legislature SB 1003 and HB 2003[OCTOBER 2009]*

Timepoint B: *Arizona 49th Legislature SB 1003 and HB 2003 legislation signed [MARCH 2010]*

Timepoint C: *Official date of podiatric service coverage elimination [JUNE 2010]*

Policy Implications for Modernizing Medicaid

Arizona's Medicaid experience underscores the compelling policy rationale for removing patient access barriers to podiatric physicians and surgeons. The Arizona study complements two additional, separate studies that found that when podiatrists are administering medical and surgical foot and ankle care, outcomes are better, hospitalizations are fewer and shorter, and the health-care system saves billions of dollars annually.[1]

The unfortunate counterproductive experience that embroiled Arizona is also happening in other states around the country. The core problem persists because podiatrists are not defined as "physicians" under Medicaid, even though they have been defined as such under Medicare for more than 40 years and are recognized as such throughout most of the US health-care system.

Doctors of podiatric medicine prescribe medication, perform surgeries, and are licensed by their state boards to deliver independent medical and surgical care without any supervision or collaboration requirement.

Ironically, Medicaid only ensures coverage of necessary foot and ankle care if provided by a medical doctor (MD) or a Doctor of Osteopathy (DO). But Medicaid coverage for foot and ankle care provided by DPMs *is optional* for states, meaning "podiatry services" are teased out and classified as an "optional" benefit.

Under current law, states are under constant pressures to curtail "optional services" like patient access to podiatrists in a "penny wise/pound foolish" attempt to trim Medicaid budgets.

But as this Arizona Medicaid study indicates, doing away with "podiatry services" is a classic demonstration of the law of unintended consequences.

A Common-Sense, Bipartisan Solution to Provide Cost Savings to Medicaid

Unnecessarily higher Medicaid spending by states also translates to unnecessarily higher spending by the federal government, because Medicaid is financed jointly by the federal government and the states. The federal government matches state Medicaid spending.

To address this long-standing counterproductive state churning of "optional" access to podiatric physicians and surgeons, US Representatives Lee Terry (R-NE) and Diana DeGette (D-CO) have introduced the Helping Ensure Life- and Limb-Saving Access to Podiatric Physicians (HELLPP) Act (HR 1761). This bipartisan legislation would help modernize and strengthen Medicaid by recognizing, at long last, podiatrists as physicians under

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[1] "*The Economic Value of Specialized Lower-Extremity Medical Care by Podiatric Physicians in the Treatment of Diabetic Foot Ulcers*", Journal of the American Podiatric Medical Association, Vol. 101, No 2, March/April, 2011; and

Sloan, F.A., Feinglos, M.N. and Grossman, D.S., RESEARCH ARTICLE: *Receipt of Care and Reduction of Lower Extremity Amputations in a Nationally Representative Sample of U.S*. Elderly. Health Services Research, no. doi: 10.1111/j.1475-6773.2010.01157.x

Details of both studies accessible at: www.APMA.org/saving; "Fact Sheet: Studies Prove Podiatrists Prevent Complications, Provide Savings"

Medicaid, thereby enhancing patient choices and access, and improving health outcomes for those in need of specialized foot and ankle care. The bill also would improve aspects of care coordination in Medicare's diabetic shoe program, and strengthen Medicaid program integrity by offsetting government reimbursements for any unpaid federal taxes owed by health providers with prolonged federal tax delinquency issues.

As Arizona Medicaid has shown, maintaining a separate optional podiatry benefit has had significant negative health effects on patients with diabetes. State (and by extension, federal) Medicaid spending is not reduced, but merely redistributed to another setting or provider, often with adverse consequences for patient health and health costs.

The current ever-changing patchwork of Medicaid patient access has the effect of limiting access to timely and appropriate foot and ankle care, at a time when the US is already facing a growing physician shortage. So long as our public policy focus is on the type of provider rendering foot and ankle care, instead of ensuring the coverage of medically necessary foot and ankle care, preventable chronic conditions will become an even greater cost burden for Medicaid.

In virtually all other health-care settings—Medicare, private employer coverage, Federal Employees Health Benefits (FEHBP), TRICARE, the Veterans Administration, and the Indian Health Service—patient access to specialized podiatric medical and surgical care is ensured. Medicaid is the glaring exception.

As Congress considers options to modernize and strengthen the Medicare and Medicaid programs, the provisions of the common-sense, bipartisan HELLPP Act should be part of any discussion. The legislation represents a sound policy rationale in making the commitment to ensure timely patient access to specialty medical and surgical foot and ankle care.