

## New Jersey Physician Participation in Medicaid and NJ FamilyCare

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NEW JERSEY STATE PHYSICIAN CENSUS

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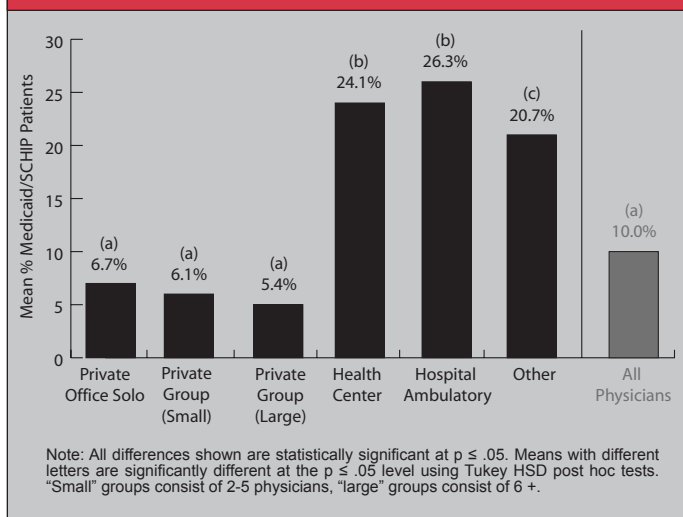
### State Public Insurance Programs and Access to Care

One of this nation's great public health challenges is providing accessible health care to vulnerable populations. New Jersey offers access to care through government-financed health insurance for low-income individuals and families. New Jersey's Medicaid program and State Children's Health Insurance Program (SCHIP or NJ FamilyCare) covered 5% of non-elderly adults and 20% of children under the age of 19 during 2001.<sup>1</sup> However, despite the prevalence of these important programs, the number of physicians providing care to Medicaid and SCHIP beneficiaries nationwide has decreased in recent years. This fact is particularly apparent in northern New Jersey when, in 2002, it had the highest proportion of practices closed to Medicaid patients (38%) compared to eleven other major U.S. metropolitan areas.<sup>2</sup>

### About The New Jersey State Physician Census

The New Jersey State Physician Census was conducted by Rutgers Center for State Health Policy (CSHP) in collaboration with the New Jersey Board of Medical Examiners and the NJ Commission on the Physician Workforce. This survey of all physicians licensed in New Jersey was conducted by mail, web, and telephone from July through October 2002, with a response rate of 26.6%, or 8,150 physicians total. The survey was funded by The Robert Wood Johnson Foundation and endorsed by the New Jersey Board of Medical Examiners, the Medical Society of New Jersey and its International Medical Graduate Section, the New Jersey Association of Osteopathic Physicians and Surgeons, the New Jersey Hospital Association, and the Academy of Medicine of New Jersey.

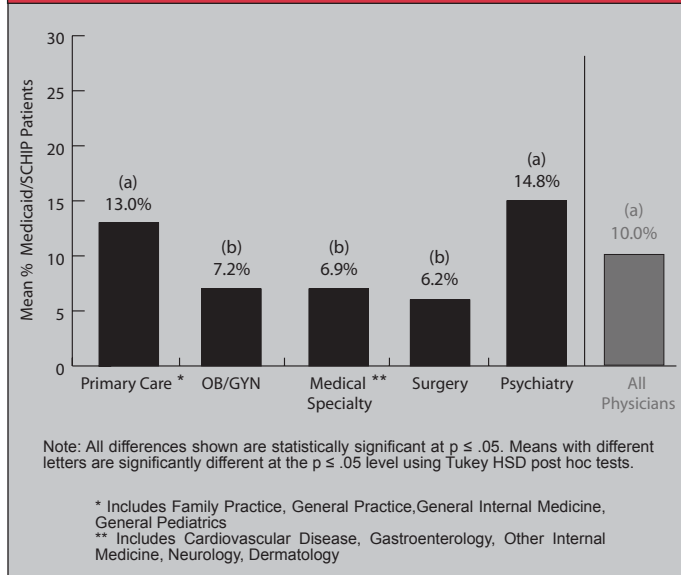
Figure 1: Physician Participation by  
Practice Type



### Previous Studies of Physician Participation in Government Programs

The decrease in Medicaid and SCHIP program participation among physicians has elicited concern among policymakers. Clearly, the mere availability of government coverage programs does not in and of itself assure greater access to care for vulnerable populations. Rather, much of the responsibility falls on the providers within the health care system, whose professional choices can have a deep impact on the accessibility of care. National studies have explored the characteristics of physicians who participate in government-financed health insurance programs

**Figure 2: Physician Participation by Specialty**



and the effect that higher participation rates have on state health insurance patterns. Higher reimbursement rates have been associated with increased physician participation<sup>3</sup>, and states with a smaller proportion of Medicaid beneficiaries enrolled in managed care plans also have higher physician participation.<sup>4</sup> Primary care physicians are more likely to participate in government programs, as are those who have served Medicaid patients previously, are minorities, international medical graduates (IMGs), or women.<sup>5,6</sup>

### **Characteristics of New Jersey Physicians Serving Medicaid & NJ FamilyCare Patients**

The downward trend of physician participation in government-financed health insurance programs around the nation underscores the need for better information about which physicians are most likely to provide services to vulnerable patient populations. This analysis of the New Jersey State Physician Census begins to fill that information gap by providing a better understanding of the current supply of patient care physicians in New Jersey. In particular, this study measures the availability of physician care to Medicaid and NJ FamilyCare patients by physician specialty and other characteristics.

The percentage of the patients of New Jersey-based physicians covered by Medicaid or NJ FamilyCare varied greatly by practice site, specialty, and physician demographics. Over 20% of the patients of physicians practicing in a health center, hospital ambulatory setting, or other institutional practice settings were covered by Medicaid or NJ Family Care, compared to an average of less than 10% among private office-based physicians (Figure 1). Psychiatrists and primary care physicians serve a significantly higher average percentage of Medicaid and NJ FamilyCare patients compared to physicians in other specialties (Figure 2). In addition, non-Hispanic black physicians serve more Medicaid and NJ FamilyCare patients, as compared to physicians of other racial/ethnic backgrounds (Figure 3).

Physician participation rates also varied by age, gender, and international medical graduate (IMG) status (Table 1). Results show that younger, female, and foreign-born IMG physicians tend to serve a higher percentage of Medicaid and NJ FamilyCare populations. Differences by physician age are small, with physicians under the age of 45 serving about 2 percentage points more Medicaid and NJ FamilyCare patients compared to physicians age 55 and older. About 14% of female physicians' patients are covered by Medicaid or NJ FamilyCare, compared to male physicians, of whose patients only 8% are covered by Medicaid and NJ FamilyCare. The practices of foreign-born IMGs include about 15% Medicaid and NJ FamilyCare patients compared to US-born IMGs and US medical school graduates whose practices include an average of 9% and 8% Medicaid and NJ FamilyCare patients, respectively.

### **Additional Findings**

The association of physician and practice characteristics with Medicaid and NJ FamilyCare participation varies by specialty. Gender and IMG

**Table 1: Physician Participation by Physician Characteristics**

Physician Characteristics	% Medicaid/SCHIP Patients
<b>All Physicians</b>	10.0
<b>Age</b>	
Under 45	11.3 <sup>a</sup>
45-54	9.5
55 and over	9.0 <sup>b</sup>
<b>Gender</b>	
Male	8.4
Female	14.4
<b>International Medical School Graduate (IMG) Status</b>	
US Medical Graduate	8.4 <sup>a</sup>
IMG-US Born	9.3 <sup>a</sup>
IMG-Foreign Born	15.2 <sup>b</sup>
<b>Total (N)</b>	4,800

Note: All differences shown are statistically significant at  $p \leq .05$ . Means with different letters are significantly different at the  $p \leq .05$  level using Tukey HSD post hoc tests.

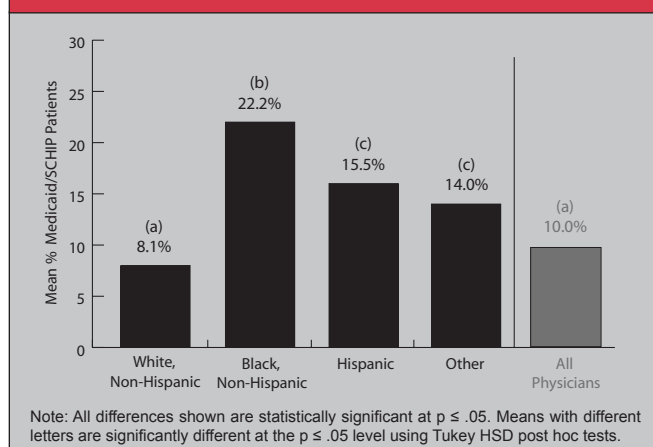
status are significant predictors only within some specialties; gender, for example, is a significant predictor of participation among primary care and OB/GYN specialty categories but not among psychiatrists, non-primary care medical specialists, or surgeons. Similarly, IMG status is a significant predictor only within the primary care and medical specialty categories. The effect of racial/ethnic origin appears to be a stronger predictor of participation for some specialty categories (primary care, OB/GYN, and surgery) than for others. Working in a non-private office-based practice setting is a significant predictor of participation within each specialty category. However, physician age is not a statistically significant predictor of participation within any specialty category, although, as noted, there is a small but statistically significant correlation between age and participation when all specialty categories are combined.

## Conclusions and Implications

The New Jersey State Physician Census provides useful information about the characteristics and predictors of physician participation in government-financed health insurance programs. Patients not living near an institutional provider such as a Federally Qualified Health Center (FQHC) or hospital outpatient department may have the greatest difficulty finding a physician willing to accept Medicaid or NJ FamilyCare, a finding that holds regardless of physician specialty. The analysis also shows that access to specialty care may be most difficult, with lower participation among non-primary care medical and surgical specialty categories.

The finding that the association of physician demographic differences with program participation may vary among specialties suggests that more in-depth analysis of participation rates by specialty may be of value to policymakers in their efforts to improve access to care. Practice setting is also a driving factor of physician participation. However, when a physician chooses a practice setting, he or she is also, in effect, selecting a patient population to serve. Thus, it is not clear whether practice location is an independent predictor of participation; further research could help clarify this. At a time when fiscal constraints may limit the ability of states to increase physician reimbursement rates under Medicaid or SCHIP programs, other

**Figure 3: Physician Participation by Racial/Ethnic Origin**



strategies may be needed to encourage physician participation. The New Jersey State Physician Census provides new information for policymakers as they work to enhance access to physician services among public program beneficiaries.

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## CSHP's Facts & Findings

This is the fifth in a series of *Facts & Findings* from Rutgers Center for State Health Policy. These briefs highlight findings from major research initiatives at the Center, including the New Jersey Family Health Survey and the New Jersey State Physician Census.

## Methods

This *Facts & Findings* is based on information for 4,800 patient care physicians who were actively practicing medicine in New Jersey. In order to measure service to Medicaid and NJ FamilyCare patients, the categorical question reflecting the percentage of each physician's patients enrolled in Medicaid and NJ FamilyCare was converted to a mean participation percentage using the midpoint of each percentage category. The original percent distribution of the categorical variable is as follows:

Response Category (percent of patients covered by Medicaid or NJ FamilyCare)	Midpoint	Percent of Respondents
None	0%	28.6%
1% to 5%	3%	35.6%
6% to 10%	8%	12.8%
11% to 20%	15%	10.3%
21% to 40%	30%	8.1%
41% to 60%	50%	4.2%
61% to 100%	80%	2.3%

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