

**RESOLUTION 30 - 05A**

**Title: The “Medicaid Tax”**

**Introduced by: Donald R. Peven, MD, for the Oakland County Delegation**

**Original Author: Donald R. Peven, MD**

**Referred to: Reference Committee B**

**House Action: Approved**

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**Whereas, Resolution 48-03A, urging MSMS to promote using the concept of a “Medicaid Tax” (essentially, the amount of income physicians forgo in the course of treating patients insured through the Medicaid program versus the Medicare program) to protest inadequate Medicaid payment rates was referred to the Board of Directors and subsequently watered down and ignored because of concerns over use of the word “tax” and the purported difficulty that physicians would have in calculating their “Medicaid Tax,” and**

**Whereas, inadequate Medicaid payment levels are still a major concern for Michigan physicians, and**

**Whereas, the public and state government officials are still often unsympathetic to physician complaints about low Medicaid payment levels because physicians are widely felt to be highly paid and therefore should be willing and able to make the financial sacrifices necessary to see Medicaid patients, and**

**Whereas, when talking about Medicaid payment levels, physicians still usually use nonspecific, qualitative terms instead of using concrete figures that allow the public and state government officials to understand the impact of low Medicaid payment rates on physician practices, and**

**Whereas, the Governor has now proposed to institute a tax on the gross revenues of all Michigan physicians in order to help pay for the Medicaid program, and**

**Whereas, House Bill 4132 has been introduced, proposing that physicians be given a Michigan income tax credit for “the difference between the amount received from the Medicaid program...and the amount that would have been received under the Medicare program...for the same medical services,” that amount being the same as the “Medicaid Tax” outlined in Resolution 48-03A, and**

**Whereas, given that the above considerations have persisted or developed since the MSMS House of Delegates originally considered the concept of the “Medicaid Tax,” and that said considerations make it more important than ever that physicians take the strongest possible stand against the inadequacies of the Michigan Medicaid program; therefore be it**

**RESOLVED: That MSMS change its method of addressing inadequate Medicaid payment, which results in poor accessibility to medical care for Medicaid patients, to an approach based on the concept of a “Medicaid Tax” that physicians pay in order to treat Medicaid patients, such “tax” being the annual difference between a physician’s actual Medicaid collections and the projected amount of revenue that would be collected if that physician’s Medicaid charges were paid at the same collection percentage as his or her Medicare charges; and be it further**

**RESOLVED: That MSMS publicize the “Medicaid Tax” concept among Michigan physicians, instruct physicians to calculate their personal “Medicaid Tax” annually, and encourage physicians to quote their “Medicaid Tax” figure at least once every time that they talk to anyone about Medicaid payment rates and at least once in every communication with a state government official or a candidate for state government office; and be it further**

**RESOLVED: That MSMS inform its membership about House Bill 4132 and strongly urge its membership to support and promote this bill.**

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**WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE**