

Impact of Physician QAAP Assessment on Physicians with Varying Percentages of Medicaid Clientele

Physician gross revenue	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
QAAP tax rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Percentage of Medicaid clients	0.0%	1.0%	2.0%	3.0%	3.5%	4.0%	4.5%	5.0%	10.0%	25.0%
Loss from QAAP										
QAAP tax revenue from physician	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Gain from QAAP										
Current revenue from Medicaid	\$0	\$5,000	\$10,000	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000	\$50,000	\$125,000
Additional revenue from Medicaid rate increase	\$0	\$3,810	\$7,620	\$11,429	\$13,334	\$15,239	\$17,144	\$19,049	\$38,098	\$95,245
Net Gain/(Loss) from QAAP assessment	(\$15,000)	(\$11,190)	(\$7,380)	(\$3,571)	(\$1,666)	\$239	\$2,144	\$4,049	\$23,098	\$80,245
Percent change from current gross revenue	-3.0%	-2.2%	-1.5%	-0.7%	-0.3%	0.0%	0.4%	0.8%	4.6%	16.0%
Breakeven Medicaid client percentage	3.94%									

Assumptions

Assumed physician gross revenue	\$500,000
Assumed QAAP tax	3.0%
Total gross revenue - all physicians	\$10,000,000,000
Total QAAP revenue	\$300,000,000
Retainer percentage	13.2%
Total state retainer	\$108,548,148
Remaining QAAP for physician rate increase	\$191,451,852
Gross increase - physician payments	\$716,243,366
Percent increase (base = \$940 million)	76.2%
Total federal revenue from QAAP	\$822,334,456
Assumed FMAP	73.27%