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A Range of Key Issues Face South Florida Doctors in 2007

By John Fries

It's an annual tradition, predicting what the New Year will hold. As experts in the South Florida medical community look at the weeks and months ahead, they anticipate a 2007 filled with many challenges, most of which will be familiar.

Stephan Baker, M.D., president of the Dade County Medical Association, expects a number of financial issues to be on the front burner. "I believe the cuts in Medicare will be the most acute of all the challenges we're going to face this year," he says. "On the first of January, a 5.1 percent cut in Medicare reimbursements was scheduled to go into effect. This kind of cut hurts physicians, since they, like everyone else, face an increased cost of living--yet they're earning less."

He also points to liability insurance--long a hot-button topic--as an ongoing issue. "Each year for the past several years, the cost of malpractice insurance has increased by about 10 to 20 percent a year." However, he notes, "we may be finally seeing some stability. Last year the increase wasn't as substantial as in past years. But, still, it's expensive. A neurosurgeon, for example, pays about \$180,000 a year for a quarter-million dollars worth of coverage. So, this is an area in which we need to improve."

Insurance problems, says Baker, don't just affect practitioners. "There is a major problem in the Miami-Dade area with uninsured patients. Many people here don't qualify for Medicaid." However, he also says that many physicians don't accept it as a form of payment. "Currently," he adds, "there are efforts underway to try and increase physician participation in Medicaid and to change the reimbursement schedule to make it more like Medicare."

Michael Weston, M.D., the recently installed president of the Broward County Medical Association, concurs with Baker about the Medicaid crisis in South Florida. He explains that a new experimental program, now underway, is attempting to address it. "Medicaid patients in Broward and Duval Counties are being placed into managed care groups. If the program is successful in addressing the issue, the plan is to then expand it throughout all of Florida." He also notes that anticipated Medicare cuts continue to be a real issue that will impact physicians' incomes.

Weston also views malpractice insurance as a serious problem that needs to be addressed, especially in high-risk specialty areas. As an emergency medicine physician, he has experienced firsthand some of the problems that occur in his and other specialties. "Hand surgery, neurosurgery, orthopedics and emergency are just a few of the areas impacted by the high cost of insurance," he says. "Since there are a lot of uninsured doctors who treat patients and perform surgery, the ones who do carry the insurance have what seems like a red light on their heads." They're the ones more likely to get sued, since they are seen as the deep pockets." He says the legal action doesn't end there. "If a pregnant patient comes to the hospital with a medical problem unrelated to the pregnancy per se; such as a cardiac or kidney problem, it may be very difficult to find a consultant willing to see her because of the medico-legal risks involved in treating a patient with a high-risk pregnancy"

For as desirable a place as South Florida is to live, he asks if it's any wonder that many established medical practices and hospitals are having such a difficult time recruiting young physicians just starting in their careers, given all the problems they'd

have to anticipate? "When you think about it, it doesn't bode well for South Florida health care in the future. As older physicians continue to retire and new physicians opt to go elsewhere, we may begin seeing fewer physicians in the regions as a result."

He also calls attention to what he perceives as an ongoing deterioration of the physician-patient relationship. "In past generations, a physician cared for a patient along with his or her entire family," he says. "Now, since patients are part of managed care plans, they have to go to physicians who are on their plan's panel. They may have been seeing the same physician for years, but if that physician suddenly decides to not participate in a plan that covers the patient, he or she will have to start seeing another doctor.

Consistent with other physicians interviewed for this article, Dr. Stuart Sabol, an otolaryngologist, head and neck surgeon and president of the Martin County Medical Society, views Medicare reimbursements and malpractice insurance as the issues that will be at the forefront in 2007.

"Physicians' malpractice insurance has gone up about 250 percent over the past three years," he says. "However, indications are that the cost of insurance will stay at the current rate for a while, including during 2007."

On the other hand, Sabol says, cuts in Medicare reimbursements will continue to be an ongoing problem. "The Centers for Medicare and Medicaid Services (CMS) recently passed a five percent cut in Medicare reimbursements to physicians," he notes. "And it appears that the House and Senate will freeze the reimbursement rate at what it was in 2006, rather than cut it five percent." He adds that this problem that recurs annually.

"The sustained growth rate used by the CMS on an annual basis is flawed, because it doesn't take into account increased demand for services secondary to an aging population," he says. "If we go above it, our reimbursement rates get cut. We've been flat for past three years, but the cost of running a practice keeps going up."

In addition, he says, the population is aging and new technology, chemotherapy drugs and therapeutic interventions are constantly being developed. This puts a strain on the budget and increases costs, and it's not factored into the sustained growth rates, which were first introduced in the 1990s. "The money to pay for all these advances has to come from somewhere, so physician reimbursements are decreased on annual basis to pay for them."

Medicare, Dr. Sabol notes, is implementing a Pay for Performance program. "It's just getting up and running," he says. "Certain indices will be used to determine whether a patient is being taken care of in a 'perceived' quality manner, so reimbursement can be made to the provider. For physicians, this means that, if we meet the criteria, Medicare will pay; if not, they won't pay--or, they'll pay a lesser fee."

This system has its own set of problems, according to Sabol. "For example, setting up performance criteria for a variety of diagnoses will be difficult, since different physicians and different locales have different standards for patient treatment," he says. "Physicians are also going to have to install new computer systems and software, generate the data and begin submitting data on a monthly basis--and no one has the time or budget for doing that. Nor do we expect to be reimbursed for doing that. On top of that, someone will have to review the data to determine whether the appropriate quality of care is being provided. This will ultimately cost us billions of dollars. We see a decrease in our pay every year, and now they want more."

Jose F. Arrascue, M.D., incoming president of the Palm Beach County Medical Society, shares the oft-mentioned concern about reimbursements from Medicare and other insurers. A specialist in internal medicine, nephrology and critical care, he's also experiencing firsthand the ongoing problems expressed by his fellow association

presidents. "The problem is that there are so many HMOs in South Florida," he says, "and many of us practice in small groups that have no leverage. One of my objectives is to educate physicians about how to have more leverage."

Providing physician education on timely issues will be a major objective for Arrascue in 2007. He believes physicians need to have more in depth information about the current issues such as Pay for Performance, improving quality and outcomes, and the whole concept of value-healthcare. "This may help to develop new strategies to deal with these challenges."

Arrascue is a bit leery about the previously mentioned Medicare Pay for Performance initiative. "That's a dirty word to many physicians," he says. "The goal is to improve quality and lower healthcare costs. Although this is a very laudable goal, the devil is going to be in the details. We need to watch very carefully how the Medicare Pay for Performance program evolves and provide constructive criticism so it can really achieve the stated goals."

He also points to the problem of about 250,000 uninsured persons in Palm Beach County. "We have taken some steps to address that issue," he notes. "About two years ago the Palm Beach County Medical Society created "Project Access" to serve a significant proportion of the uninsured. We are a group of physicians, hospitals and other healthcare providers who offer healthcare services at no charge." He believes that programs of this kind, while providing an essential service to the community, will increase the public trust of the medical profession. Also, this is going to keep the focus on the problem of the uninsured and hopefully help to rouse the national and local debate of solving this problem once and for all.

Finally, the Palm Beach County Medical Society, along with CEOs of the local hospitals and members of the healthcare district, have created the Emergency Department Medical Group (EDMG). This group is working diligently on a program to solve the issue of access to care for specialty services in the emergency departments of Palm Beach County. This is a work in progress.

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