

Health Plans, Hospitals, and Lawyers...Oh My!

If I were to ask, "What is the greatest threat to the private practice of medicine," most would undoubtedly identify the trial lawyers as our primary enemy, and that tort reform was and is the supreme challenge facing physicians in Arizona. This has been the focus of organized medicine and the issue to which most of our efforts have been directed for quite some time. Indeed resolution of the medical liability crisis remains a major hurdle in making Arizona a better place to practice medicine and to insure that care will be there for all of our state's citizens. In these efforts we have had the support of respected and valued political allies at the state and on the federal levels. The supporters of tort reform were victorious in the last election due in part to the efforts of many of our colleagues.

While tort reform is mandatory in order to create an environment that will attract physicians to our state, there are more direct and more visible problems that prohibit the development of a healthy, stable, and growing medical community. The practice of medicine in our community is under economic pressure from entities other than the plaintiff's bar.

Not all physicians "feel the pain" of rising liability insurance premiums to the same extent. Certainly those in "high risk" specialties are more acutely aware of the ever-increasing financial burden represented by this portion of their practice overhead expense. Fewer still are directly affected by frivolous lawsuits and hopefully the majority of physicians will never be a party to a liability suit. The vast majority of us will however, deal with a managed care organizations, a hospital medical staff, or utilize hospital-based diagnostic or therapeutic services during our workday.

Taking aim at the lawyers is not difficult for politicians. There is probably more general public disaffection for lawyers than with any other profession (although used car salesmen and physicians are fast approaching parity). Taking on the bar has widespread appeal across the economic landscape as liability concerns affect the businessman and professional alike. Unfortunately many of the same political forces that will act in our favor when seeking reform of liability law just happen to be those supportive of the hospital and insurance industries. If we're looking to the same political powers to help fight the injustices of managed care or to mount an assault on the intrusion of giant hospital corporations into the practice of medicine, I'm afraid our pleas will fall on deaf ears.

In the struggle to arrest the tidal wave healthcare dollars flowing into the coffers of the insurers who report tens of millions in increased profit annually, and their executives who garner seven figure incomes, we'll be woefully short of political muscle. When a billion dollars in concrete and steel thrust into the Phoenix skyline in the form of new hospital construction, and yet we're told there is no financial assistance to assure surgery or other specialty physician coverage in the emergency rooms who'll support us; what politician will be sympathetic to our plea? This represents a true crisis here and now. In this struggle don't count on a political contribution or a trip to the legislature to rally allies; we're on our own.

In another issue of this journal I addressed the billion or so dollars the hospital industry is spending on new construction and now even more is planned. The Arizona Republic recently

reported on a variety of new facilities on the horizon. It was reported that Moody's and other organizations rate the bonds being floated in order to support these projects as "AA". What's a Ford, GM, or Delta Airlines bond rated these days? In order to get these ratings any business organization has got to be financially sound and profit assured to cover the principal and interest payments. Where's the financial muscle to pay for orthopedic, general surgery, ENT, neurosurgery, and urology coverage at the same hospitals' existing facilities? Where will the physicians come from to staff the new facilities? The answer: those same hospital organizations will recruit and pay doctors from afar rather than support physicians currently serving the community.

The insult the managed care industry heaps upon us represents an even greater injustice. One insurer recently sent a letter to a contracted provider that quite bluntly stated reimbursement would henceforth be lowered to a percentage below the Medicare rate whereas the existing contract had called for reimbursement that exceeded that benchmark. The physician group wisely gave notice of termination and no protest was heard from the insurer. Three months later the same insurer reported a huge increase in profits on millions in increased revenue citing a larger than expected growth in premium dollars. What did the people who paid those premiums receive for their hard-earned dollars? We now know for certain that they will have purchased less access to care; at least one major group of providers will no longer be there to treat them!

While the trial lawyers remain an obstruction to fostering a medical community that can serve our explosive population growth there are today even greater problems facing all physicians. These issues are a clear and present problem affecting our practices on a daily basis. As long as those inequities in our healthcare economy exist it will not matter if we have a new medical school, an orthopedic residency program, or a gene research lab. Arizona remains an unhealthy place to practice medicine and the prognosis worsens daily.

See you next month,

Marc J. Rosen, M.D.
President