



## SCRAMBLED EGGS FROM MUSHROOMS

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This year heralded the baby boomers arrival into Medicare. Talk about a storm surge! In 2005 more than 35 million Americans were 65 years of age or older. In 2030, there will be more than 70 million people in this age category. A recent Institute of Medicine (IOM) report details the staggering consequences of this population maturation focusing on a projected shortage of physicians to care for this aging population. Continued decreases in Medicare fee schedules will discourage doctors from receiving the training they require to provide care to this unique segment of the population with their ever increasing health needs. The Institute of Medicine and the American Medical Association have abundant information on this issue which can be accessed at their websites. I encourage you to visit the websites and learn more about these issues.

**Summertime in Phoenix evokes anticipation of our monsoon season, complete with increased humidity, dust storms and scattered thunderstorms. The summer constellations, Sagittarius and Scorpio are prominent in the Southern sky. These predictable meteorological and celestial happenings are to a degree, reassuring.**

**However, the perfect storm threatening health care is frightening and threatens our very existence as physicians.**

When people come together and formulate a well reasoned plan, the results can be quite impressive. My wife and I were riding the BART system last month in the Bay area. We remarked how much vision the planners of this

wonderful system had back in the late '50s and '60s when they developed the plans for a rail system that now carries hundreds of thousands of people every day, who whiz by those stuck on the freeways in their cars. What did not happen here in Phoenix? Did the developers not realize that they had the opportunity to place high speed rail in tandem with newly constructed roads like the 51, Loop 202 and Interstate 10? What were they (not) thinking?

One of my surgical mentors from Chicago, the late Steven G. Economou, used to say, "You cannot make scrambled eggs from mushrooms." I admit that this statement may seem cryptic, but the message can be applied to many different situations. For example, the Medicare Hospital Trust Fund. Part A funds provide payments to hospitals, skilled nursing homes and home health agencies. As structured, this fund will be out of money in approximately 10 years. Part B, which provides payments to physicians, is funded by tax revenues and premium payments. Currently Part B funding requires approximately 10% of income taxes and this is projected to increase to 31% of income taxes in 2050 - which brings us back to Dr. Economou. As currently structured, there will not be enough money (mushrooms) to fund Medicare (scrambled eggs) in the years ahead.

The debate about Universal Health Care continues. Many generalizations, promises and reassurances are offered by the proponents, but like the perpetual motion machine, the devil is in the details. Recent experience in Massachusetts demonstrates

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how slippery the slope will be in trying to convert this dream into reality. Mr. Romney of Massachusetts unveiled his universal health care platform in 2006. The centerpiece of the plan seemed so simple. All Massachusetts residents had to obtain health insurance, which in theory would eliminate the costs associated with uncompensated emergency room care to those who choose not to purchase health insurance. More than 300,000 people signed up. Unfortunately approximately 50% of those previously uninsured who did join signed up for the plan selected "Commonwealth Care" (AHCCCS?) which used a sliding scale to subsidize all applicants who fell below a percentage of the federal poverty level. Hundreds of thousands more are expected to select this subsidized plan. Initial budgeted cost to the Commonwealth was \$472 million. For 2009, expected costs are projected to exceed \$869 million! In the next decade overruns may reach \$4 billion. Expenses are rising rapidly, and the State in its infinite wisdom is searching for ways to mitigate, including, you guessed it, reductions in payments to doctors and hospitals and increased regulation of insurance and drug companies. *The Wall Street Journal* states that Romney's mistake was to make health care universal without reforming the private insurance market. National versions of this concept are now being touted by the Democratic Party, with the mantra: let the government cover everyone with a plan that will reduce cost. Sounds a lot like the saying, "We're the government, we are here to help you." This solution shifts the cost of the plan to the government. Imagine

national health care, with cost overruns leading the government to reduce costs by reducing payments to doctors and hospitals and drug companies-sounds familiar, doesn't it? I believe that a national plan is doomed to fail unless all players have a personal interest in its success. "As long as somebody else is paying, who cares what it costs?" is the mindset that has us in the health insurance quagmire we live in today. Personal responsibility for healthy lifestyle choices, elimination of gross overcharging by "nonprofit" hospitals, pharmaceutical companies and insurance companies must happen before progress is made to escape this mess.

Impossible? I think not.

The Board of Directors have chosen four topics that will be discussed in detail at our monthly meetings on the 2<sup>nd</sup> Monday evening of the month this Fall. The topics to be addressed include universal health care, physician shortages, disparities in reimbursement and


increasing the relevancy of our Medical Society to all physicians in Maricopa County. Our first presentation was offered at our June meeting by Dr. Jonathan Weisbuch who offered a compelling argument for a universal health care plan funded by a single payer. News stories about this topic in major newspapers that are printed across the nation. I encourage you to read as much about these issues as you can.

We are encouraged by the interest of our new members who are calling the Society and asking how they can become involved - grassroots activity - I love it!

Please contact us if you have any thoughts or suggestions. We look forward to hearing from you.

Warm regards,

**Edward J. Donahue, M.D.**  
**President**



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