

## **It's Hard Not To Take It Personally!**

With all of the focus on health care and what is happening in Washington, most of us are preoccupied with dealing with the system as it exists today. I was reminded of this in recent contract discussions with a payor. I pointed out to the payor that reimbursement has not changed at all over the last 5 years. The payor's response was the "market" does not allow them to increase our reimbursement. They seemed to admit that they do not understand how primary care practices can manage. I would argue the trend is not sustainable. Throughout the healthcare debate there is an acknowledgement that primary care needs to be preserved and expanded yet there seems to be no real action from the private or public sector to make that happen.

This was pointed out in a recent headline in the *Arizona Republic*. Mayo Clinic has decided that at one of their primary care practices they would no longer accept Medicare; this is a pilot project that may expand to their other primary care practices. The article appropriately pointed out that while expenses increase 4% - 8% per year, Medicare reimbursement has been flat. For most of primary care providers in this market, commercial rates are linked to Medicare rates resulting in identical trends. At 60% overhead and climbing we will soon be paying the government and the commercial payors to take care of their members and our patients. The irony is of course that at the same time we have to pay 20% - 30% increases annually in providing health insurance to our employees.

The article pointed out that the costs for taking care of patients for Mayo was \$175 to \$400 per visit. While not knowing what numbers went into this it is clear they have done detailed analysis of what it costs to see patients. It is worthwhile for us all to do this same cost analysis in our own practice of what it takes to see a patient. It is soon evident that reimbursements for the lower level of services do not cover those costs. While it may be a stretch to say it costs \$175 to see a sore throat, the sore throats are going to the drug store clinics, and the multi-organ-system diseased patients continue to see their doctor. The problem is reimbursement for these 2 situations is exactly the same.

The recent announcement by Mayo Clinic holds additional meaning as Mayo has been cited by the government as being a model for managing costs. Hopefully the decision makers in Washington take the underlying message to heart. Unless you address reimbursement to primary care you will not have primary care in the future. Recently there has been discussion from CMS to raise reimbursement 6% - 8% for primary care. While I appreciate the gesture this only gets us to 2006/2007 real dollar rates. It is hard not to take personally that insurers reimbursement for cognitive services is ultimately worth less than what one pays a plumber for his/her services.

The increasing push to pursue the Patient Centered Medical Home certainly has merit from a patient care perspective. It also has great potential to manage chronic illness better. I truly believe in what it is trying to accomplish. However if the commercial market treats this with the

same degree of financial indifference as it seems to the current primary care model, it will go nowhere. One cannot ask providers to dramatically change their practice model and business model without proper financial support.

While we do not know what shape health care reform ultimately will take, the “market” does not seem to be emphasizing primary care services currently. Unless this trend changes, we will continue to see the decline in primary care physicians and ultimately, I believe, worsening efficiency and overall care for those with chronic disease.

I decided to make this article my “whining” article, so in fairness I picked the following quote:

**“Fear less, hope more; Eat less, chew more; Whine less, breathe more; Talk less, say more; Love more, and all good things will be yours”**

~ [Swedish Proverb quotes](#)

Time to get out my wrench and start working on the broken toilet.

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**President**