

Philadelphia Medicine



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It's all about access

Supply and demand of physician services in southeastern Pennsylvania

Physicians of all specialties have found that Pennsylvania is one of the worst places in the United States to practice medicine. It is very difficult to sustain a private practice in this region because of declining payments for services from insurance carriers, and the high cost of doing business, including extremely expensive professional liability (medical malpractice) insurance. Indeed just week the Wall Street Journal observed, "Nowhere does this medical malpractice crisis loom larger than Pennsylvania."

Some groups, notably the trial lawyers and a few legislators, claim there is no problem with access to physicians or healthcare. The figures they quote compare bulk licensure figures between the years 2000 and 2002. Even a casual observer knows that most of the physician loss in Pennsylvania has occurred in the past two years, since 2002. The facts:

- Many physicians will keep their Pennsylvania license even after they retire or move their practice to another state.
- Physicians who are in residency training programs are included in the number of licensed physicians. Indeed, they received licenses, but very few remain here after their training is completed.
- Not all licensed physicians in Pennsylvania practice full-time. A growing number of physicians are choosing to reduce significantly their hours of practice. Others may work part time in another state. Both groups still show up as "licensed" in Pennsylvania.

- Physician growth nationally has continued to climb. But in Pennsylvania, there has been no growth since 1995. This creates an alarming trend for all Pennsylvanians.

As Pennsylvania's population ages, the demand for physician services will increase. But the number of physicians is stagnant. And some experts think the absolute number has declined in the past year.

Why are physicians leaving the state or not coming here in the first place? Three factors cause this situation: liability insurance and the threat of lawsuits, relatively low reimbursements and payment hassles.

Liability insurance premiums are growing at an alarming rate. Insurance companies don't like the uncertainty of the med-mal business. It is too unpredictable in this market. Current figures now indicate the malpractice insurers are paying out more money in claims than they are collecting in premiums. So, premiums continue to rise dramatically. This is not the way to run a business. It is little wonder that very few companies will write liability insurance for the state's physicians.

Physician reimbursement in Pennsylvania is among the lowest in the country. In many areas of the United States, physicians will not accept Medicare patients because Medicare reimbursements are considered too low. In Pennsylvania, Medicare is often the best payer.

Young physicians come to Pennsylvania to learn, but they do not stay. Pennsylvania has some of the finest

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PCMS News

You don't want to miss "Financial Myths & Truths"

The Resident and Young Physician Section will hold a Financial Workshop and Section dinner meeting on Wednesday, March 24, 2004, 6:00 - 8:30 PM at PCMS headquarters.

The workshop is sponsored by Karr Barth Associates, Inc. RSVP: 215-563-5343, Ext. 113. This is a member benefit.

Volunteerism

Interested in community healthcare volunteer programs? Our PCMS members are welcome to attend the monthly meetings of the PCMS Public Health Committee that directs the activities of the PCMS Block Captain Health Care Advisory Council in cooperation with the Philadelphia Department of Public Health. The next meeting will be Thursday, March 25, 2004 at 12 noon, PCMS headquarters. RSVP: 215-563-5343, Ext. 113.

Medicare 101

The PCMS Membership Committee will host a Medicare 101 Class for Physicians, Practice Administrators and Staff conducted by HGS administrators on Thursday, April 15, 2004, 8:30 - 11:00 AM at PCMS headquarters. RSVP: 215-563-5343, Ext. 113. This is a member benefit.

Save The Date—For the Great Skate

The PCMS Annual Friends & Family Night at the Philadelphia Skating Club, Ardmore, PA. Saturday, April 17, 2004, 7:30 - 10:00 PM.

Sponsored by the PCMS Membership Committee. RSVP: 215-563-5343, Ext.113. This is a member benefit.

Host your event at PCMS!

Host your next party or conference/seminar at PCMS headquarters. Ample free parking.

Contact Louise Eder on 215-563-5343, Ext. 107 to schedule an appointment.

Philadelphia Medicine



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2100 Spring Garden Street

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Phone: 215-563-5343

E-mail: stat@philamedsoc.org

Web site: www.philamedsoc.org

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Newspapers sounding alarm on medical liability crisis

By David Woods, PhD

"Would you be an obstetrician if you had to deliver 100 babies just to pay for medical liability insurance? Would you be a surgeon if you had to pay \$100,000 for insurance before entering the operating room? Would you be a primary care physician if you had to treat 500 patients to cover your liability premiums?"

These are some of the pointed questions posed by lawyer Frank Thomas in a guest editorial in the *Philadelphia Business Journal*. Noting that physicians can't adjust their fees to offset these onerous fiscal burdens

"... physicians can't adjust their fees to offset these onerous fiscal burdens because they have to accept reimbursement rates set by government or payers ..."

because they have to accept reimbursement rates set by government or payers, Thomas said Pennsylvania physicians are increasingly voting with their feet—moving to other states.

The *Wall Street Journal* agrees. In an editorial titled 'The Pennsylvania Premium' and subtitled 'Don't get sick in Philadelphia,' the paper quoted a survey of 590 physicians by the Harrisburg-based Lincoln Institute in which half the respondents said they plan to leave the state "if something isn't done about skyrocketing insurance premiums."

The *Journal*, normally a Republican-oriented publication, takes aim at Republican Senator Arlen Specter, stating that he has not only voted against tort reform throughout his Senate career, but that his son is a Philadelphia lawyer who boasts of having won multimillion dollar malpractice verdicts. The paper doesn't let Governor Rendell off the hook, either, accusing him of taking "a BandAid fix ... instead of addressing the enormous jury awards and settlements that are driving up premiums in the first place."

More recently, the paper published a letter from Dr. Mark Schiller, presi-

dent of the Association of American Physicians and Surgeons, in which he praised doctors who 'go bare'—that is, who forgo malpractice insurance. He added that in the nine states—including Pennsylvania—that require doctors to have malpractice coverage, patients may soon find it very difficult to locate a practicing doctor unless these states quickly remove such restrictions or enact caps on non-economic damages.

Even the staid *Chronicle of Higher Education* weighs in with an article reporting that more than 1,200 Pennsylvania medical students warned Governor Rendell that that they would be forced to leave the state if lawmakers don't do more to stem the rising cost of medical malpractice insurance.

All three newspapers call for damage control before the deterioration in healthcare quality and accessibility is irreversible. The *Philadelphia Inquirer*, on the other hand, still seemingly doesn't get it. Its intellectually challenged editorial page, which should be loudly indignant at the impending exodus of doctors and the resultant erosion of Philadelphia's status as a world-class medical city, continues to condone large settlements and to imply that the malpractice crisis is an iatrogenic one. —Dr. Woods is publisher of *Philadelphia Medicine*.

Access to tort-reform information

We encourage you to visit these web sites for instant updates on tort reform efforts:

- Philadelphia County Medical Society www.philamedsoc.org
- Pennsylvania Medical Society www.pamedsoc.org
- Politically Active Physicians Association www.fightingdocs.org

In addition, PCMS sends out e-mails regularly. Do we have your e-mail address? If you have not been receiving the PCMS e-newsletter, e-mail us at stat@philamedsoc.org.

About access from page 1

medical schools in the country. Young physicians come here to learn and to train. Then they take their skills to other parts of the country where the environment is friendlier to the practice of medicine. At one time, Pennsylvania ranked 12th nationally in the number of young doctors. Now, it is 41st. This trend is even more alarming when you incorporate the fact that Pennsylvania has the second oldest population in the country.

Physicians are aging, too. Others retire or move out of state to a better practice environment, leaving little

Young physicians come here to learn and to train. Then they take their skills to other parts of the country where the environment is friendlier to the practice of medicine.

incentive for young physicians to enter the market. The question for every Pennsylvanian is: Who will take care of me?

Even with temporary abatement of the Mcare bill for this year, liability insurance costs are continuing to rise. The Mcare abatement for 2003 and 2004 was a welcome short-term BandAid for this problem, but abatement does nothing to fix the long term issues that created it. All of the causes that created the crisis are unresolved.

The aging population in Pennsylvania will continue to demand more healthcare services, creating a shortfall in available physician services. Of course, some geographic areas and specialties will be harder hit than others. Areas with higher overhead costs and lower reimbursement rates, such as Southeastern Pennsylvania, will have a more urgent problem. Also hard hit will be specialties that are currently filled by older physicians, and those specialties serving the elderly and high risk specialties.

Healthcare in Pennsylvania is reaching a crisis level, and will only get worse as the pool of physicians shrinks and the demand for services soars.

Pennsylvania Medical Society Health Research Institute

PROMISE: a new claims processing system

Effective March 1, 2004 the Pennsylvania Department of Public Welfare (DPW) implemented a new claims processing system. The system is called PROMISE. It is an acronym for the Provider Reimbursement (and) Operations Management Information System, and the "e" denotes in electronic format.

This change will have significant billing and reimbursement implications for physician practices treating Medical Assistance patients. It replaces the existing Medical Assistance Management Information System (MAMIS) as well as incorporating claims processing and information management activities of other DPW program offices, such as the Offices of Mental Health and Substance Abuse Services, Mental Retardation, and Social Programs.

In addition, PROMISE will process some claims for the Department of Aging and Education. When implemented, PROMISE will be a single system that processes human services claims and manages information for numerous Commonwealth human services programs.

The Health Insurance Portability and Accountability Act (HIPAA) became public law on August 21, 1996. Title II of this Act is called "Administrative Simplification" and was designed to reduce healthcare fraud and abuse, guarantee security and privacy of health information, enforce rational standards for health information and transactions, and reduce healthcare costs by standardizing the way the healthcare information is communicated.

The MAMIS claims processing system used by the Office of Medical Assistance Programs (OMAP) was over 20 years old, was not capable of providing some features that have been requested by providers, and does not meet the requirements of HIPAA. Significant and extremely costly changes to MAMIS would have been needed to make it HIPAA-COMPLIANT.

In addition, changes to other claims processing systems used by DPW would require changes. In light of that, the option of completely replac-

ing the existing MAMIS system with a new state-of-the-art system to be used by multiple program offices in DPW and other commonwealth agencies was considered.

After a thorough cost, technical, and feasibility analysis process, DPW decided to pursue a brand new system. A Request for Proposal was issued and a contract was awarded to Electronic Data Systems (EDS) to provide the new system now being called PROMISE.

Immediately after March 1, 2004, you were able to submit your claims; check the status of claims; change enrollment and mailing information and obtain remittance advice information via the Internet.

You should already have received mailings concerning this change. Of particular importance was the mailing you received in 2004 regarding your new provider number. PROMISE training sessions on the new system have been offered since October 2003 and will continue into 2004.

For more information go to <http://promise.dpw.state.pa.us>

Dr. James Tayoun challenges Senator Vincent Fumo



James Tayoun, DO, founder of the Politically Active Physicians Association (PAPA) and member of the PCMS Board of Directors, is challenging

State Senator Vincent Fumo in the April 27 Democratic primary.

Senator Fumo is seeking his seventh 4-year term in the Pennsylvania Senate's First District, which extends from South Philadelphia to Port Richmond and Strawberry Mansion.

Dr. Tayoun is a general and vascular surgeon in South Philadelphia. Over the past years he has been active in efforts to effect tort reform in Pennsylvania by organizing and participating in protests, media campaigns, candidate endorsements and alternative proposals.

For more information, visit jimtayounjr.com.

pcms people

OBITUARY

Avery W. Beverly, MD, died on September 23, 2003, at the age of 79. Dr. Beverly had the distinction of being the only African-American to run for the presidency of the Philadelphia County Medical Society. Although he was unsuccessful in that venture, he left an indelible mark on medical politics at the city, county, state, and national levels since his arrival here in 1961.

Between 1961 and 1973 he devoted his professional services to Mercy-Douglass Hospital, where he was Assistant and Acting Director of Radiology.

Dr. Beverly received the NMA Physicians Achievement Award in 1981 and in 1991 was the Mercy-Douglass Lectureship Award Winner.

We thank **Harry M. Baer, MD**, and **David Rosenthal, MD**, for having written letters to the *Philadelphia Inquirer* that were published. It is imperative that physicians contact the media expressing their thoughts.



Christopher Born, MD, orthopedic surgeon, spent 13 days aiding victims of the devastating December earthquake in Bam, Iran. He was one of 60 medical professionals from the US.

Broken arms, legs, ankles and hands were common.



David B. Nash, MD, was named chairman of Jefferson Medical College of Thomas Jefferson University's new Office of Health Policy. He is associate dean of the college's

Office of Health Policy and Clinical Outcomes.



Jerome Cotler, MD, has been honored by the American Spinal Injury Association with its Lifetime Achievement Award. In May he received the

Alumni Award from Ursinus College, the institution from which he graduated in 1948. Dr. Cotler continues to teach in the Department of Anatomy at Jefferson.



William DeLong, MD, was appointed co-director of the Orthopedic Trauma Service at Temple University Hospital and professor of orthopedic surgery at

Temple University School of Medicine. DeLong previously was co-director of the Division of Orthopedic Trauma for the University of Pennsylvania Health System.

PCMS people wanted!

Your colleagues would like to know what you're up to. Send news about academic or other appointments, achievements, awards, promotions, etc. to:

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