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Reimbursement studies paint grim picture of payments to SE Pennsylvania doctors

By David Woods, PhD

The overwhelming majority of physicians practicing in South Eastern Pennsylvania (SEPA) know that reimbursements are lower and expenses higher here than in other areas of the state.

The question is Why—and what can be done about it. C. Richard Schott, MD, Chair of the Southeast Pennsylvania Reimbursement Committee, presented the Committee's findings to the PCMS Board of Directors and invited guests, which included PCMS members at large and PMS President, Mark A. Piasio, MD.

Noting the huge discrepancy in reimbursement levels between different areas of the state, Dr. Schott singled out the payers' contracting policies, the Federal Trade Commission [FTC], and the Department of Justice [DOJ] as the principal causes of the problem and the attendant threat they pose to quality and access in the region's healthcare.

"Free market forces are stymied," he said, "when the DOJ enforces antitrust laws against doctors, but not against insurers."

He quoted from a resolution to the AMA calling for court action against the FTC and the DOJ if they "fail to fairly and equitably enforce the law of the land."

Producing power point charts to show discrepancies in Evaluation and Management [E & M] codes, Schott said that Michigan's physicians were 'mad as hell' about their 120% of Medicare payments, while those rates in SEPA hovered around 80%. No wonder the survey found that SEPA physicians reported the lowest levels of satisfaction with payers.

Part of the problem, he allowed, is intrinsic. Philadelphia in particular and SEPA in general have a mature managed

care market, an aging population, large numbers of Medicaid and uninsured patients, a high incidence of medical liability litigation, and a growing trend towards part-time practice.

"But also," said Schott, "when we down code, we shoot ourselves in the foot. We need to code properly to maximize reimbursements."

Another part of his committee's proposed solution is for area physicians to develop strategies for communicating with the media, and to consider alternative sources of income such as partaking in clinical studies and speaking engagements.

"But when physicians have to work twice as hard or twice as long to make a decent income," he concluded, "quality can suffer."

There followed a presentation from Delaware Valley Healthcare Council [DVHC] representatives— Jerry Miller, President and CEO of Crozer Chester Keystone Health System; and DVHC Vice President of Managed Care, Pam Clark—who discussed the DVHC Physician Reimbursement Study's preliminary findings.

These included the fact that Blue Cross/Blue Shield rates of payment are lower than commercial rates for which SEPA ranks lowest. One example, they pointed out, is that colonoscopies in SEPA are reimbursed at a 20% lower rate than in other markets.

Much of that is well-known, PCMS past president Enrique Hernandez, MD, interjected, but in the meantime Philadelphia is losing physicians to Arkansas and Nebraska—and it's time for action. *David Woods is the publisher of Philadelphia Medicine.*

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Editorial

Building bridges between engineering and medicine

By Joyann Kroser, MD



Mention the word “engineer,” and most people think of guys in white shirts and geeky glasses building skyscrapers, configuring factory equipment or, occasionally, doing something exotic like designing NASA spacecraft. In the popular imagination, engineers work with “things” like machines and computers, not with “people”.

But the stereotype is startlingly out of date: Some of the most exciting applications of the engineering discipline today are in the life sciences.

From the engineering point of view, the human body is just another system. It needs maintenance, analysis when problems arise and, sometimes, spare parts. So it is not surprising that engineering and medicine are converging more often, as researchers apply engineering concepts to medical problems.

Recently, PCMS, along with the Philadelphia Chapter of the Pennsylvania Society of Professional Engineers (PSPE), sponsored a symposium highlighting some local research efforts from Drexel University. (See Dr. Paul Siegel's synopsis of that symposium on page 3.) I hope programs such as this will continue in

The modern practice of my specialty of gastroenterology could not exist without input from engineers. A major advance of the 1980s was endoscopy, which has come to be widely practiced. Initially, fiberoptic endoscopes and now video endoscopes are commonplace. We now have a large armamentarium of devices... that are inserted into our instruments. These devices would not have been possible without engineers.

the future with other professions as well. These efforts help us to fulfill PCMS's mission to elevate and maintain the standards of medical education and establish friendly interaction among physicians and with the general public.

PCMS is an ideal place for sharing cutting edge research that is being done in our great academic medical community. Our membership cuts across all

disciplines and practice modalities. I look forward to receiving more suggestions for creative programs for our members not only from our leadership but also from grassroots physicians. If you have an idea for an event, please share it with a PCMS board member or staff member.

The modern practice of my specialty of gastroenterology could not exist without input from engineers. A major advance of the 1980s was endoscopy, which has come to be widely practiced. Initially, fiberoptic endoscopes and now video endoscopes are commonplace. We now have a large armamentarium of devices, including lasers and argon plasma coagulators, that are inserted into our instruments. These devices would not have been possible without engineers.

Today, we have capsule endoscopy, a swallowable pill endoscope that is a miniature telecamera that presents images as it travels through the gastrointestinal tract. The imaging system consists of the capsule, a data recorder, and a workstation. The patient swallows the capsule, which contains a camera, lights, transmitter and battery. The capsule produces images and transmits video signals to sensors that are attached to the patient's body. The sensors also help estimate the capsule's location as it travels through the gastrointestinal tract, propelled by peristalsis. Think of the 1966 film “Fantastic Voyage,” but without a miniaturized Rachel Welch!

It is amazing to me that the field of biomedical engineering is only a little more than half a century old. In that time span, physicians and engineers together have revolutionized medical imaging and laboratory instrumentation, created cardiac pacemakers and artificial limbs, and used computer technology to learn the entire sequence of human DNA. Biomedical engineering encompasses many subtypes, including electrical, electronic, computing, mechanical and chemical.

There is even a new field of biological engineering. The difference between biomedical engineers and biological engineers is the difference between a plastic hip replacement and an implant

Please see Building bridges on page 3

Physicians and engineers: a past president's view

PCMS and the Philadelphia Chapter of the Pennsylvania Society of Professional Engineers hosted a social and educational evening bringing together medical science and engineering technology.



Ari Brooks, MD, Assistant

Paul Siegel, MD Professor of Surgery at Drexel University College of Medicine, and Gary Friedman, PhD, Professor of Electrical and Computer Engineering at Drexel University, spoke on bleeding edge drug delivery technology.

The School of Medicine and the School of Engineering at Drexel University are cooperating on a number of projects.

This particular project concerned the delivery of drugs to a specific target in a living organism. In this technology, rats

have a stent inserted in their iliac artery. Superparamagnetic particles of small size (about 300 nanometers) have been attached to the stent before insertion. These particles are weakly magnetic and their charge has marked variations. However, when exposed to a nearby magnetic field, they become highly magnetized. The desired drug is then attached to magnetized particles and injected into the rat at the same time as the rat is exposed to a powerful magnetic field.

The result is that a much higher proportion of the injected drug adheres to the stent than would be the case without the magnets.

Much work remains to be done for this technology to have an application to humans, but the concept has broad application to other areas. The advantage of this technique is that drugs, gene vectors, and other substances can be administered by simple injection and trapped in high concentration near chosen sites within the body.

Building bridges from page 2

that could actually regenerate living bone. Tissue engineering is based on the same kind of Computer Aided Design technology that engineers use to "grow" mechanical parts. This type of research eventually could lead to production of spare parts, such as muscle patches to repair damaged hearts, cartilage to rebuild joints, or tissue for repairing eyes, kidneys, or other organs.

Indeed, the future looks bright for continued interdisciplinary collaboration between these two honored professions. Whether making improvements in existing technologies or developing new ones, the field of biomedical engineering is virtually exploding with new discoveries and important new applications for medicine.

Organizations like PCMS and PSPE can work together to bridge the gaps in understanding between our members and keep them informed of the important work being done right here in our backyard.

Dr. Kroser is President of PCMS.

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pcms people



Participants in the recent joint PCMS/PSPE program from left: Ari Brooks, MD; Jason Schmoyer; Joyann Kroser, MD, PCMS President; Gary Friedman, PhD



Albert S. Kroser, DO, was recently appointed by PCMS as District Censor filling the vacancy of his late wife, Lila Stein Kroser, MD.



State Senator Connie Williams addresses physicians and practice administrators at the recent two-day conference co-sponsored by PCMS on tort reform, practice management and reimbursement.



Speakers at the recent PCMS Block Captain Meeting regarding Medicare Plan D: Deborah Harmon-Pugh, Director APPRISE; and Patricia Cassell, Beneficiary Outreach Coordinator, JGSA Administrators, Medicare Services

PCMS people wanted!

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