LEE COUNTY MEDICAL SOCIETY

Bulletin

THE VOICE OF LEE COUNTY MEDICINE

VOLUME 25, NO. 10 | FORT MYERS, FLORIDA | Daniel Schwartz, M.D., EDITOR | FEBRUARY 2002

Lee County Medical Society General Meetings

NO MEETING IN FEBRUARY

Note: There has been a change in the Lee County Medical Society General Membership Meeting dates. The meetings will now be held the 3rd Thursday of the month at the Royal Palm Yacht Club, 2360 West First Street, Fort Myers.

General Membership Meetings:

Thursday, March 21, 2002
6:30 pm
Medical Museum
Speaker: Roger D. Scott, M.D.
Curator, Museum of Medical History

May 16, 2002
September 19, 2002
November 21, 2002
December (HOLIDAY PARTY)

Inserts

1. **2002 Meeting Dates Brochure**
2. **Florida Diabetes Camp Sign Up Sheet**
3. **AAPS Report From Washington**
4. **Agencies To Notify**

In This Issue...

Happy Valentine's Day
February 14th

President's Message

STOP THE BLEEDING

Eliot Hoffman, M.D.

The New Year was not a particularly "happy" one for Lee County physicians. Due to a seriously flawed annual update formula, Medicare payments to all physicians have been reduced by an "average" of 5.4%. (The American College of Cardiology anticipates the reduction in my subspecialty, Interventional Cardiology, to approach 14%). This is the fourth physician payment cut since 1991. Since then, physician payments increased by only 1.7% per year and as a result, as of 2001, Medicare payment levels have fallen 1.3% behind inflation in medicine practice costs.

This problem resulted from many factors. Congress adopted the current update system in 1997 as part of the Balanced Budget Act, and ineffectively revised it in 1999. Under the present system, physician payment updates are tied to the U.S. Gross Domestic Product growth. The obvious absurdity that utilization of health care services by seniors would be related to the health of the general economy failed to elicit action by the post 9-11 Congress prior to their holiday recess. The recent economic downturn has been key, however, in exacerbating the present problem. It is of course unexplained, why no other Medicare provider group is subject to payment reductions when GDP declines. In addition, no other provider group has a formula that would impose a payment cut of up to 7% below inflation. Even the inpatient hospital payment schedule was held to zero by the most severe annual reduction in the BBA. Under the current law, however, physician payments are on an automatic payment system that can reduce payments by as much as inflation minus 7% per year! The Medicare Payment Advisory Committee (MedPAC) has recognized that this system of automatic payment reductions without regard for other factors such as health status, aging, new technology, etc. is flawed and recommended that it be replaced - unfortunately, no action has yet been taken. If this wasn't onerous enough, factor in the administrative adjustment to the formula that disadvantages physicians further. Hospital updates calculated by MedPAC assume hospitals' cost increases are slightly offset by productivity gains: the MedPAC adjustment is –0.5%. The physician update calculated by CMS included a productivity adjustment (for 2001) that was three times the MedPAC adjustment! Medicare Economic Index or MEI measures inflation in physician's costs. Since 1992 this excessive productivity adjustment has reduced the MEI by 27%. We all recognize, of course, that operating overhead for our practices is increasing regularly, never decreasing! The across the board Medicare payment cuts will likely have immediate negative consequences for the patient population as well, as physicians face increasing pressure to limit acceptance of Medicare beneficiaries as new patients, or consider "opting out" of Medicare entirely. When physician payments were reduced 3% across the board in 1997, the number of physicians accepting new Medicare patients dropped from 79% to 75%. The Managed Care side of Medicare, by citing low payment rates, has witnessed more than 200 Medicare + Choice plans dropping or reducing their Medicare participation option in the last three years. Even though these plans were guaranteed at least a 2% annual increase, Congress responded with billions of dollars in additional funding. To now deny relief to physicians dealing with these new cuts in pay could be viewed as a message that Congress won't address doctor's payment problems until we too drop out of Medicare. I hope the physicians of Lee County will not have to consider such an option.

There is a remedy. Just as the problem has been born out of politics, the solution is then found in the political process. FLAMPAC has recently endorsed Jeb Bush for re-election for governor of Florida and has already raised $215,000, of which $20,000 came from Lee County. We must resist the reflex to close our wallets during bad economic times and continue to fund and support those politicians who endorse the priorities of the FMA at the State level, and the AMA at the national level. We must educate our peers, our family and friends, and lastly our patients, for the benefit of medicine and for all. Happy New Year!

MEMORIAM

J. Stewart Hagen III, M.D.
1931-2002

J. Stewart Hagen, III, M.D., F.A.C.S., who was past president of the Lee County Medical Society, passed away on January 11, 2002. Stewart, as he was known to all of his colleagues, was born in Cincinnati, OH in 1931. He received his medical degree from the University of Cincinnati and did his surgical residency at the Henry Ford Hospital before locating to Southwest Florida in 1965, when he began practice of general surgery. He was joined in practice a few years later by his brother, Warren Hagen, and the practice, like Southwest Florida, continued to grow.

Stewart at one time or another served as Chairman of the Department of Surgery at both Lee Memorial and Southwest Florida Regional Hospitals and also served as President of the Medical Staff of both of these institutions. He represented the area as an FMA delegate and in later years has been a director of the Florida Physicians Insurance Company.

Outside of the profession, Stewart was involved with his family and his church and was an excellent and avid golfer. He was an original member of St. Hillary's Episcopal Church and served there as Senior Warden many terms.

Since his passing many have told me they remember Stewart as a gentleman, which he certainly was, but I think the quality I remember most is simply that Stewart was a solid human being. He was consistent, reliable and someone whose opinion was valued. Although I no longer saw Stewart on a daily basis, it was always reassuring to know that he was available and his steady presence will be much missed. He is survived by his wife Linda, his children, grandchildren and friends, all of whom will greatly miss him.

Bruce C. Bacon, M.D.

As I Recall...

"DE-LIGHT"

Roger D. Scott, M.D.

When the Museum of Medical History was formed, the Board of Directors appointed me the Curator. As the oldest member and with the Board's knowledge of my interest in local medical history, they felt that I was the logical choice and honored me with this position.

One of the first steps that I took was to call the curator of the Rob-House Museum (Florence VanArnam) in Gainesville, Florida for advice on how to be a curator. She was a tremendous help and wonderful source for obtaining the literature needed to educate me. She had a beautiful operating room light that she was going to mount in the Rob-House Museum, but the light was too heavy for the old building ceiling so the light was available to us. She described the light as beautiful with a rounded globe and three mirrors on each end of the light into which the beams are directed. A stab of excitement struck me as I pictured the light described as one I knew very well. I asked her if the light resembled a space satellite, and her response was "well, yes maybe it did". Imagine how I felt when subsequent photographs proved the light identical to the operating room light I knew so well and never thought to see again.

The Ohio Chemical and Surgical Equipment Company, Division of Air Reduction, manufactured the light and named it the Operay Multibeam Explosion Proof Light. This light was originally installed in the newly built Alachua County Hospital in Gainesville, Florida in 1928 and remained there until 1977 when the hospital was demolished. Dr. Carl VanArnam (ophthalmologist) bought the light as salvage and used it in his blacksmith shop where it remained until our museum bought it in July 2001. Dr. VanArnam (now deceased) made the comment to his wife that he had never had such a wonderful light in his shop before, and he enjoyed using the light until the time of his death a little over one year ago.

The light represents a very significant piece of our local history and is of particular importance to me as I operated under the same model of this light 43 years ago. It is identical to the one room (OR, Delivery, & ER) light that was in Jones Walker Hospital (the colored hospital located on the corner of Velasco and Blount Streets) in Ft. Myers. I operated almost daily (including weekends) at Jones Walker using this light from 1958 to 1966 when JWH was demolished, and our light was junked. We are very fortunate to obtain her "sister" for our museum. Years ago I asked about our light and was told that it was the original operating room light used in the first Lee Memorial Hospital on the corner of Victoria and Grand Streets. When LMH moved from that location to the new brick building on Cleveland Avenue in 1943, the light was placed in Jones Walker Hospital.

As you can see, my personal attachment to this light "de lights" me to have it as one of the first objects acquisitioned into the Museum of Medical History collection. Medical Anesthesia and Pain Management Associates headed by Dr. Don Williamson in Ft. Myers made the purchase of this light possible. Space does not allow listing all of the physicians in the group in this article, but they will certainly be remembered by a plaque identifying the source of this treasure when it is mounted in the museum.

A more detailed description of the light reveals that it does indeed look like a space satellite. It has

See "DE-LIGHT" page 3

LEE COUNTY MEDICAL SOCIETY BULLETIN
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Membership Activity

PHYSICIAN'S ACTIVITIES
Congratulations to Jamie Alvarez, M.D. Diplomate of the American Board of Neurological Surgery
November 2001

RESIGNED
Cynthia Hensley, M.D., Dermatology
James Wolper, M.D., Gastroenterology

RETIRED
Edward Sapp, M.D., Radiology

MOVED (Out of County)
Lawrence Coryell, M.D.

LCMS STATS

December 17, 2001 - January 17, 2002

	Current	YTD
PHONE CALLS RECEIVED	**748**	**748**
From Physicians and Office Staff	132	132
FOR REFERRALS	304	304
For Background Checks	35	35
Filing Complaints	6	6
Regarding Non-Members	27	27
Regarding Alliance	7	7
Regarding CMS, FMA, and AMA	32	32
Miscellaneous Calls	205	205
Applications sent to physicians	**53**	**53**
Meetings	**12**	**12**
Attended on behalf of LCMS	9	9
Society Meetings	3	3
DIRECTORIES DISTRIBUTED	**14**	**14**

LEE COUNTY MEDICAL SOCIETY ALLIANCE FOUNDATION NEWS

Noreen Kurland, Corresponding Secretary

This time of year for the Lee County Medical Society Alliance Foundation has been very busy. President Barbara Rodriguez has been reviewing and organizing the mini-grant applications. The Alliance was so proud of Sherri Zucker as she was recognized by the state of Florida for her wonderful work with the "Buckle Bear" program which has given so much information on child car safety to the children of Lee County. The SAVE project which held a 3 day seminar in December to 33 participants from the public/private school arena has had wonderful feedback and will continue to provide these great seminars to our schools.

The annual fund-raiser will be held February 2, 2002. Dinner begins at 5 p.m. at Varian's Restaurant, followed by the Broadway production of "Dinner with Friends" at the Arcade Theater.

FLAMPAC WORKING FOR YOU!

Steve West, M.D. FMA District E Representative

Front Row: *Bruce J. Lipschutz and daughter Lauren, Mrs. Michael (Jan) Sweeney*
Second Row: *Michael Katin, Michael Sweeney, Stu Bobman, Governor Jeb Bush, Ann Wilke, Julio Conrado, Mrs. James (Betty) Rubenstein, Mrs. Stu (Juli) Bobman*
Third Row: *Jim Langley, David Reardon, Douglas Stevens, Steve West, James Rubenstein, Mrs. Steve (Jane) West*
Not pictured: *Bob Brueck, Peter Blitzer, Eleanor Blitzer*

FLAMPAC is busy raising funds for pro-medicine legislators. This weekend the elegant Tampa home of FLAMPAC Treasurer Madelyn Butler was the site of a FLAMPAC fundraiser for Governor Jeb Bush. Governor Bush was greeted by over 200 physicians from all over the state. The Governor received over $215,000 dollars for his upcoming re-election campaign. This money was collected by FLAMPAC Board Members who contacted physicians statewide asking for contributions to the Governor's campaign and inviting them to Tampa.

The physicians of Lee County contributed over $20,000 to the event. Local FLAMPAC board members, Steve West & Jim Rubenstein, want to thank all of the physicians that responded by contributing to the event. The LCMS sponsored a bus to the event. Lee County physicians and friends attending were Bob Brueck, Doug Stevens, Mike Katin, Bruce Lipschutz and his daughter Lauren, Stu and Julie Bobman, Mike and Jan Sweeney, David Reardon, Julio Conrado, Jim Langley, Ann Wilke, Jim and Betty Rubenstein, and Steve and Jane West.

Governor Jeb Bush expressed his appreciation of physician support. He reaffirmed his commitment to support the FMA's effort to obtain tort reform. He explained that his administration's effort to control the rising cost of Medicaid drugs should result in the savings going to increase physician reimbursement for Medicaid services. FLAMPAC endorsed the Governor for re-election very early in September. The endorsement was made during the Good Government Luncheon at the FMA Annual Meeting held in Miami. FLAMPAC endorsed the Governor during his campaigns in 1994 and 1998. Jeb Bush has signed into law every piece of legislation supported by the FMA that successfully was passed by the legislature. This summer ignoring intense pressure from the HMO industry and Blue Cross & Blue Shield the Governor signed the "All Products" bill (SB836). Physicians for the first time in over a decade received an increase in Medicaid reimbursement. Governor Bush unlike his predecessors consults the FMA regarding a variety of health care issues and various administrative appointments. Unlike any of his potential Democrat opponents who are heavily funded and supported by the trial bar, Governor Bush supports Tort reform.

FLAMPAC in the past month has been working hard to support legislators and candidates that will support the FMA and physicians. At the home of FLAMPAC Secretary Dr. Alan Mendelsohn in Fort Lauderdale there was held a fundraiser for the Senate President John McKay and the Senate leadership. A second event was held in Dr. Mendelsohn's home for the next House Speaker Johnnie Byrd and his leadership team. Combining these events with the event for the Governor, FLAMPAC has raised more than $850,000 dollars for pro medicine legislators in four weeks. In order for FLAMPAC to continue to do this work, we need for you to join FLAMPAC today as well a making a pledge to the 1000 Club. **Again, your FLAMPAC Board members Jim Rubenstein and Steve West want to thank those that have written checks making these events a success.**

McCOURT SCHOLARSHIPS AVAILABLE FOR THE FLORIDA CAMP FOR CHILDREN AND YOUTH WITH DIABETES

As you may recall, at the time of Dr. Jerome McCourt's death a fund was established by his family and friends that has since been administrated by the Lee County Medical Society. It was the wish of all parties concerned that monies be extended to help defray the expenses of sending a child or youth to Diabetic Camp each summer.

The cost per child this year is $450.00 for most of the sessions. To date we have sponsored 61 children and youths for a total of $17,610.00, giving each a great opportunity to change how they will live their lives.

We are requesting that you submit the name of a child or youth residing in Lee County who would benefit from such an experience. We are looking for candidates who are interested in attending camp for the very first time. This is such a positive experience for building their lives that we would like to reach all children with diabetes. The scholarships are for new applicants or children who have attended prior camps. Please fill out the form enclosed in this bulletin and return it to the Medical Society office no later than April 19, 2002. This will be the written recommendation from the physician and we will then contact the parents to make the arrangements.

(No Responses To Question Man)

ODDS & ENDS

Florida Board of Medicine has a new Executive Director

Beginning January 18th, Larry McPherson will be the new Executive Director of the Florida Board of Medicine. Mr. McPherson brings to the job 13 years experience as an attorney with the Board and a strong working relationship with the Board, AHCA, the Department of Health and the FMA. We will miss Tanya Williams who served the Board well for the last 3 years, and congratulate Mr. McPherson on his new post.

HIPAA Compliance Deadline Extended

The Senate passed unanimously the "Administrative Simplification Compliance Act." This bill, (H.R. 3323) passed by the House of Representatives a week ago, extends the deadline for compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Standards for Electronic Transactions and Code Sets one year to October 16, 2003. It is expected that the President will sign it into law, in order to qualify for the extension, providers must submit a summary of their compliance plan by October 16, 2002, including how the person will come into compliance with the requirements by the October 16, 2003 deadline. The plan summary shall include an analysis reflecting the extent to which, and the reason why, the person is not in compliance; a budget, schedule, work plan and implementation strategy for achieving compliance; whether the person plans to use or might use a contractor or other vendor to assist in achieving compliance; and a time frame for testing that begins no later than April 16, 2003.

Information provided last week stating that Medicare would no longer allow submission of paper claims was in error. HIPAA rules do not require that physicians submit claims electronically to any health plan. However, all health plans and physicians who submit or receive private health information electronically are covered by this act. We apologize for any confusion caused by the error. A good Web site for additional HIPAA information is http://aspe.hhs.gov/admnsimp/. Releases concerning changes will be posted on this site as they develop.

AMA Calls for Mental Health Parity

The AMA urged legislators last week to end insurance discrimination against those suffering from mental illness by supporting the Domenici-Wellstone mental health parity amendment. The amendment to the Labor-HHS Appropriations bill would finally end health insurance industry practices that discriminate against those suffering from mental health benefits differently from the coverage of medical and surgical benefits.

The AMA called on House and Senate conferees to the bill to support the parity amendment in conference. "For too long, health insurers have gotten away with blatant discrimination against those suffering from mental illness by demanding higher co-payments and deductibles, and allowing fewer doctor visits or days in the hospital," said AMA Chair-Elect J. Edward Hill, MD. "By passing this amendment, Congress would finally put an end to this discriminatory and unfair practice by the health insurance industry".

NOW AVAILABLE AT THE LEE MEMORIAL MEDICAL LIBRARY BIOLOGICAL AND CHEMICAL INFORMATION

Videotapes from the U.S. Army Medical Research Institute of Infectious Disease on Bio-terrorism
Video Tapes from the U.S. Army Medical Research Institute of Chemical Defense on Chemical Terrorism
[Training Tapes Total 12 hours of instruction on Medical Management]

Also Available
Medical Management of Biological Casualties Handbook
Medical Management of Chemical Casualties Handbook
[Handbooks available on the web at: http://www.:biomedtraining.org]

Anthrax – What Every Clinician Should Know (Also available from LCMS office)
Smallpox – What Every Clinician Should Know (Also Available from LCMS office)

Available through the Lee County Medical Society
CDC Responds: Clinical Diagnosis and Management of Anthrax – Lessons Learned

TULAREMIA

by Michael Barnaby, Public Information Officer
Lee County Health Department

Tularemia *begins a series designed to give, in very abbreviated form, an overview of biological agents that have the potential to be used as terrorism weapons. All materials are excerpted from the JAMA website at http://jama.ama-assn.org, where the full consensus papers for each are available for viewing and downloading at no charge.*

The causative agent of tularemia, Francisella tularensis, is one of the most infectious pathogenic bacteria known, requiring inoculation or inhalation of as few as 10 organisms to cause disease. Humans become incidentally infected through diverse environmental exposures and can develop severe and sometimes fatal illness but do not transmit infection to others.

In 1969, a World Health Organization expert committee estimated that an aerosol dispersal of 50 kg of virulent F. tularensis over a metropolitan area with 5 million inhabitants would result in 250,000 incapacitating casualties, including 19,000 deaths. Illness would be expected to persist for several weeks and disease relapses to occur during the ensuing weeks or months. Referring to this model, the Centers for Disease Control and Prevention (CDC) recently examined the expected economic impact of bioterrorist attacks and estimated the total base costs to society of an F. tularensis aerosol attack to be $5.4 billion for every 100,000 persons exposed.

Tularemia occurs throughout much of North America and Eurasia. In the United States, human cases have been reported from every state except Hawaii; however, most cases occur in south-central and western states (especially Missouri, Arkansas, Oklahoma, South Dakota, and Montana). Throughout its range, F. tularensis is found in widely diverse animal hosts and habitats and can be recovered from contaminated water, soil, and vegetation. A variety of small mammals, including voles, mice, water rats, squirrels, rabbits, and hares, are natural reservoirs of infection. They acquire infection through bites by ticks, flies, and mosquitoes, and by contact with contaminated environments.

Humans become infected with F. tularensis by various modes, including bites by infective arthropods, handling infectious animal tissues or fluids, direct contact with or ingestion of contaminated water, food, or soil, and inhalation of infective aerosols. Persons of all ages and both sexes appear to be equally susceptible to tularemia. Although F. tularensis is highly infectious and pathogenic, its transmission from person to person has not been documented.

Although F. tularensis could be used as a weapon in a number of ways, the (JAMA) working group believes that an aerosol release would have the greatest adverse medical and public health consequences. Release in a densely populated area would be expected to result in an abrupt onset of large numbers of cases of acute, nonspecific febrile illness beginning 3 to 5 days later (incubation range, 1-14 days), with pleuropneumonitis developing in a significant proportion of cases during the ensuing days and weeks. Public health authorities would most likely become aware of an outbreak of unusual respiratory disease in its early stages, but this could be difficult to distinguish from a natural outbreak of community-acquired infection, especially influenza or various atypical pneumonias. The abrupt onset of large numbers of acutely ill persons, the rapid progression in a relatively high proportion of cases from upper respiratory symptoms and bronchitis to life-threatening pleuropneumonitis and systemic infection affecting, among others, young, previously healthy adults and children should, however, quickly alert medical professionals and public health authorities to a critical and unexpected public health event and to bioterrorism as a possible cause.

Adult Treatment: In a contained casualty situation, in which logistics permit individual medical management, the working group recommends parenteral antimicrobial therapy for tularemia. Streptomycin is the drug of choice, Gentamicin, which is more widely available and may be used intravenously, is an acceptable alternative. Treatment with aminoglycosides should be continued for 10 days. Tetracyclines and chloramphenicol are also used to treat tularemia; however, relapses and primary treatment failures occur at a higher rate with these bacteriostatic agents than with aminoglycosides, and they should be given for at least 14 days to reduce chance of relapse. Fluoroquinolones, which have intracellular activity, are promising candidates for treating tularemia.

Children: In children, streptomycin or gentamicin is recommended by the working group as first-line treatment in a contained casualty situation. Doxycycline, ciprofloxacin (≤1 g/d), and chloramphenicol can be used as alternatives to aminoglycosides.

In tularemia, prophylactic use of doxycycline or ciprofloxacin may be useful in the early postexposure period. A live attenuated vaccine derived from the avirulent live vaccine strain has been used to protect laboratorians routinely working with *F tularensis*; until recently, this vaccine was available as an investigational new drug. It is currently under review by the US Food and Drug Administration (FDA), and its future availability is undetermined.

NEW AMA CHIEF EXECUTIVE ASSUMES POST – PLEDGES COMMITMENT TO SECURING HEALTH CARE REFORMS

CHICAGO – Michael D. Maves, MD, MBA, began his first day as the American Medical Association's new chief executive with a pledge to tear down the bureaucratic and economic obstacles to providing patient care and to strengthen the AMA as the voice of medicine and a force for needed change in how health care is delivered in America.

"Access to care is a crisis. Nearly 40 million people are uninsured. Medicare makes doctors responsible for 110,000 pages of rules and regulations," Dr. Maves said.

"Too often, the cost of providing services is more than the payment itself," Dr. Maves said. "Physicians are being squeezed and patient access is being threatened. It's time to cut the red tape, fix what's broken, and let physicians be physicians so patients get the care they need."

Dr. Maves, a nationally known medical administrator and a clinical otolaryngologist who still sees patients every week, said the AMA's priorities this year will include:

- Stemming skyrocketing medical liability premiums that are forcing trauma centers to close and obstetricians to stop delivering babies.
- Fixing an outdated and unfair Medicare rule that results in payments to physicians that are not keeping up with practice costs.
- Eliminating onerous and unnecessary bureaucratic hassles that are forcing many physicians to spend more time on Medicare paperwork than they do on patients.
- Recruiting physicians from across the country to add their voices to the AMA's advocacy for health care system reforms.

"We have to treat the problems in our health care system the same way we treat our patients – by treating the causes, not just the symptoms," Dr. Maves said. "Our job is to make sure that physicians are able to deliver the best possible medical care to their patients. And we will do whatever it takes to see that happens."

Dr. Maves, 53, brings extensive medical and association management experience to his new AMA post. He served as executive vice president of the American Academy of Otolaryngology – Head and Neck Surgery Inc. (AAO-HNS) from 1994-1999. Most recently, he headed the Consumer Healthcare Products Association in Washington, DC.

"This is a dream job for me," Dr. Maves said. "I view this as my calling. America's patients and physicians face a number of extraordinary challenges right now and the AMA offers a powerful platform to advocate on their behalf and to initiate needed improvements. As a doctor and someone who prides himself as a patient-physician advocate, it doesn't get any better than this."

News Release from the AMA website http://www.ama-assn.org/ama/pub/article/1616-5802.html

DON'T LET FRUSTRATION GET YOU DOWN!

By Sandra B. Mortham, EVP/CEO

There is absolutely no doubt that the political process can be extremely frustrating. That is even true for those people directly involved. As someone who has been in various arenas of the process, it is always quite disconcerting to find that others don't see quite so vividly the need for certain changes in the system.

Without active involvement in the political process, it is hard for me to imagine what the health care system would resemble. ARNPs would be the primary caregivers doing everything including prescribing controlled substances. Pharmacies would be giving immunizations. Psychologists would be prescribing psychotropic drugs. Optometrists would be doing laser surgeries regularly as well as having hospital privileges. No telling what the chiropractors would be doing.

The managed care system would continue to deny care with nurses outside the State of Florida making the decision. Physicians would have no choice whatsoever in their contracting as All Products would be alive and well.

PIP would be totally unprofitable and no physician in Florida would be willing to participate. Workers Comp would be non-existent.

Licensing fees would more than double to fill the hole in the MQA trust fund rather than making them find other ways to solve their problems.

Office surgery rules would be set by those that have NO knowledge of patient care...the House and Senate members influenced by managed care companies and other special interest groups.

No mandates would exist and so no one would need to worry about mammograms, direct access for skin issues, or direct access to ob-gyns just to name a few.

Medicaid would be mandated on every physician in Florida no matter what their practice desired. Because of the uninsured, this would only seem appropriate to the elected officials and certainly no one would need to be concerned about an increase in the rate.

Tort reform wouldn't EVER be a concern to these individuals because of the wrath that would come from other groups such as the trial bar.

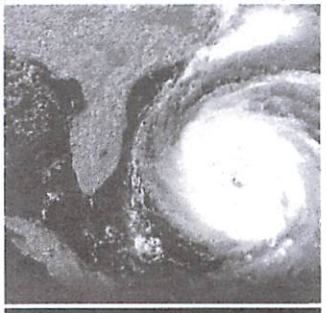
Is the system perfect? Certainly not! Do we get exasperated? Absolutely. If it were easy, none of us would be necessary to ensure a good (or even reasonable) outcome.

Remember, the squeaky wheel gets the oil. I was recently criticized by a legislator for "getting in the face" of the Chairman of the Health Promotions Committee over prompt pay. I feel badly that a legislator viewed me in that regard but if I hadn't done it, I am convinced the bill would not have been heard again this session. We must be vigilant and get those things that we can and not be deterred.

Physicians must decide what is important in this process. The FMA Legislative Team works very hard to preserve the doctor patient relationship in a very volcanic environment. Without active participation, the process will control your destiny. Don't let this happen to you; get involved today.

"DE-LIGHT" from page 1

a rounded globe housing the 550-watt bulb. The metal globe has six ports to allow exit of light to each of the six round mirrors (3 fore & 3 aft). The light can be adjusted in all directions allowing a sufficient spotlight for operating. At this time the light is dirty as it has accumulated a great deal of grime from use in the blacksmith shop, but it is in excellent condition and operational. It will be beautiful once we have adequate facilities to utilize for the cleaning and restoration of these objects. When we find a home for the museum, the light will be cleaned and hung for your viewing pleasure.



I am giving a 30 to 40 minute slide-show presentation to organizations that includes many of the objects we have collected, and photographs of this light in the blacksmith shop, the Alachua County Hospital, and Dr. and Mrs. VanArnam are included. Those of you belonging to any civic, professional, religious clubs or groups are welcome to advise your program chairman that I am available and cheap (free). This presentation has proven to be an enjoyable show (informing the community about the museum and its purpose), and we would appreciate your help in arranging presentations with your organizations.

Once again, thank you to Medical Anesthesia Associates and Pain Management Group for your generosity and thoughtfulness in acquiring this light for our museum. I am "de-light-ed"!

Editor's Note: Dr. Scott will be the guest speaker at the Medical Society meeting March 21, 2002.

NO GENERAL MEETING THE MONTH OF FEBRUARY

IMPORTANT FACTS REGARDING THE 2002 MEDICARE PHYSICIAN PAYMENT UPDATE

Unless Congress acts this year, effective January 1, 2002, Medicare payments to all physicians for all services will be significantly reduced due to a fatally flawed annual update formula.

Medicine proposed a number of options to fix the problem administratively. Unfortunately, HHS concluded that fixing the problem requires legislative action.

An across-the-board reduction in Medicare physician payments is indefensible and will create a political firestorm. This would be the fourth physician payment cut since 1991. On average, physician payments have increased only 1.7% per year during this period. As a result, by 2001, Medicare payment levels had dropped 13% behind inflation in medical practice costs.

Practice costs that are beyond the control of physicians have increased dramatically. Medicare has imposed excessive administrative burdens and unfunded mandates on physicians and is now going to compound the situation with an across-the-board cut.

Flawed Update Formula

A number of factors led to this problem. Congress adopted the current update system in BBA 1997 when it replaced a previous and also fatally flawed system. Several problems with the initial formula were addressed in BBRA 1999, but the system remains broken beyond repair.

Under this system, physician payment updates are tied to U.S. Gross Domestic Product (GDP) growth. The idea that there is a relationship between GDP growth and utilization of health care services is absurd, yet the recent economic downturn is a key factor in the current problem.

No other Medicare provider group is subject to payment reductions when GDP declines.

Flawed Data Used in Formula

Physicians also have been penalized by flawed estimates for a number of components used to calculate the physician fee update. Because the formula is cumulative, errors made in its first two years that were never corrected by CMS are compounded with each year's update. For example, CMS underestimated GDP growth for 1998 by 2%. Even though the flaw in the estimate became apparent almost immediately, CMS has continued to use this erroneous number in each update calculation since then.

Physicians Singled Out

Just as no other provider group has its payment updates tied to GDP, no other provider group has a formula that would impose a payment cut of up to 7% below inflation. Even the most severe annual reduction in the BBA for the inpatient hospital payment update was held to zero.

Under current law, however, physician payments are on an automatic pilot system that can reduce payments by as much as inflation minus 7% in a single year.

MedPAC Has Recommended Congressional Action

The Medicare Payment Advisory Commission (MedPAC) has recognized that this system of automatically reducing payments with no regard for health status, aging, new technology, or other factors directly affecting medical practice is flawed and recommended that it be replaced.

Stricter Standards Applied to Physicians

As if the update formula were not bad enough, the problem is exacerbated by administrative adjustments to the formula that further disadvantage physicians relative to other providers. Hospital updates calculated by MedPAC assume hospitals' cost increases are slightly offset by productivity gains: the MedPAC adjustment is –0.5%. The physician update calculated by CMS included a productivity adjustment for 2001 that was three times the MedPAC adjustment.

Inflation in physician costs is measured by the Medicare Economic Index, or MEI. **Since 1992, this excessive productivity adjustment has reduced the MEI by 27%.**

Medicare Cuts Affect Patient Access

Across-the-board cuts in Medicare physician payments will have immediate negative consequences for patient access to physician services. Already, surveys have shown that patients in some localities have trouble finding physicians who are willing to accept new Medicare patients. These problems will quickly worsen with an across-the-board reduction.

In addition, payments to Medicare + Choice plans are linked to Medicare fee-for-service spending, so cuts in physician payments would be disadvantageous to the plans, making it even more difficult to reverse the trend of plans withdrawing from the program.

Finally, numerous private sector plans and state Medicaid programs tie their physician fee schedules to the Medicare rates, so a Medicare payment cut will affect the entire health sector.

THE SOLUTION

It is clear that the current payment update system must be eliminated immediately. It should be replaced with a simple and predictable system that assures payment updates keep up with inflation in practice costs.

In addition, the MEI itself must be refined. Specifically, the productivity adjustment that is applied to the MEI should be no higher than the adjustment that is used in the hospital update.

INCIDENT-TO BILLING EXECUTIVE SUMMARY

Action: On November 1, 2001, the Centers for Medicare and Medicaid Services issued a final rule that codifies the conditions for billing the services and supplies of auxiliary personnel "incident to" a physician's professional services, and eliminates the requirement that the physician be either the employer of the auxiliary personnel or be an employee of the same entity that employs the auxiliary personnel.

Impact: Auxiliary personnel will be allowed to provide services incident to the services of physicians or practitioners who supervise them, at the appropriate level of supervision, regardless of the employment relationship.

Effective Date: The policy change is effective January 1, 2002 with the implementation of the Physician Fee Schedule for calendar year 2002.

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MEDICARE EDUCATIONAL OPPORTUNITIES

For registration information pertaining to these educational events, go to the Medicare website at www.floridamedicare.com, and look under education and training, or call Provider Seminar Registration at (904) 791-8103.

February 2002:

February 15, 2002 Teleconference Part B, Ambulatory Surgical Center, Jacksonville

February 20, 2002 Medicare Building Blocks for Beginners (Part B)—Inquiries, Appeals and Overpayments; HCFA 1500, Jacksonville

February 26, 2002 Basic Skills Workshops for Medicare Part B Providers, Tampa

February 27, 2002 Beyond the Basics for Medicare Part B, Tampa

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