*Recommended Reading: "The Portrait"*
*Author: Charles Atkins, M.D.*

LEE COUNTY MEDICAL SOCIETY

# Bulletin

THE VOICE OF LEE COUNTY MEDICINE

VOLUME 22, NO. 5

Fort Myers, Florida
Mary C. Blue, M.D.

September, 1998

LEE COUNTY MEDICAL SOCIETY

**SEPTEMBER GENERAL MEMBERSHIP MEETING CHANGE OF DATE**

*Notice of Date Change from September 14th to September 28th*

*The Lee County Medical Society and the Lee County Medical Society Alliance invite you to participate in the*

**LCMS&A Legislative Buffet Dinner to MEET YOUR CANDIDATES**

*An informal gathering of the Medical Family & Candidates for Elective Public Office.*

Royal Palm Yacht Club
2360 West 1st Street

**Monday, September 28, 1998**

**Time:** 6:30 p.m. Social Time
7:00 p.m Buffet Dinner
7:30 p.m. Podium Forum

**Cost:** $25.00 for Guests & Spouses or Retired Members
Medical Society Members, No Charge

RSVP by September 18th
Telephone: 936-1645 • Fax: 936-0533

Make Checks Payable to LCMS

## In This Issue...



## PRESIDENT'S MESSAGE

*David M. Reardon, M.D.*

### "PREPAREDNESS IS BETTER THAN COMPLACENCY"

At a recent Lee County Medical Society, Disaster Planning Committee Meeting, I found myself listening attentively to all those dedicated people in Lee County who organize the sundry agencies needed in the event a catastrophic natural disaster should render our area devastated. I was in awe. Each person giving their report represented a subunit of many participants who have put in countless hours of planning to perfect one component of a complicated machine that would run Lee County when the usual infrastructure is incapacitated. Thanks to the efforts of the Lee County Medical Society members, Judy Hartner, Steve West, Joe Lemmons, and Carl Schultz our Society is an integral component of the community emergency preparedness network that will provide support for those with special medical needs as well as shelter for thousands of others who will find themselves homeless after a disaster. Of course, in our area, the most likely devastating force to strike is a hurricane.

My awe began to fade into a sinking feeling somewhere between dread and fear when I realized how complacent I had become about hurricane readiness in my own home and in my practice. Upon further reflection, it became clear that I have been in a state of denial regarding the reality of a major hurricane making landfall in Lee County. Sure, the east coast and the panhandle of Florida, the gulf coast of Alabama, Mississippi, Louisiana, and Texas as well as the lower Atlantic seaboard, have had many encounters with the furious destruction and flooding brought by hurricanes. But Southwest Florida has historically been a relatively safe alley with only a 1-4 percent chance of a Category 3 or stronger hurricane making landfall here. So, for years, I have suppressed the hurricane threat deep within my subconscious, telling myself I would deal with whatever inconvenience might arise at the time – no forethought or preparation would be needed. Dan Rather would come down for his droll play by play analysis, FEMA would be close behind, after a few weeks of inconvenience life would resume.

"Wait a minute, just what exactly is a little inconvenience?" I thought. No potable water, no flush toilets, no air conditioning, no refrigeration, no relief from the Florida sun, and mosquitoes proliferating wildly. Since I am usually somewhere within two standard deviations of the herd on these things, I thought some of you might have arrived at the same quiet satisfaction that no hurricane would ever bother you.

To address my new found anxiety, I have taken the approach that education and preparation would be the most effective tools to combat Mother Nature and my uneasiness. I would like to share with you some basic information that I hope will help you overcome your inertia and take action.

Hurricanes are one of nature's ways of redistributing warmth and moisture throughout the earth's atmosphere. Those hurricanes that concern us are spawned in the Atlantic Ocean, Caribbean Sea, and the Gulf of Mexico, as tropical depressions which gather heat, energy, and moisture from warm tropical ocean waters. Developing storms are fanned by ocean surface winds that spiral air inward. Thunderstorms thus created allow air to warm further and rise higher into the atmosphere creating the eye and eye wall of the storm that becomes self-perpetuating.

For the United States, the peak hurricane season is from mid-August to late October. During this time an average of ten tropical storms develop, six of which will become hurricane force (maximum sustained winds of 74 miles per hour). About five hurricanes make landfall along the coastal United States every three years. Of these, two will be major hurricanes (Category 3 or greater) resulting in extensive damage.

Population growth in hurricane-prone warmer climates of the United States has created a significant hurricane problem. There are approximately 45 million permanent residents in these high-risk areas and the population continues to grow. Seasonal populations may swell by ten fold, Florida leads the nation in new residents and hurricane incidence.

Like me, failing to adequately perceive hurricane risk, much of the population living in hurricane prone areas have never experienced part of a major hurricane, but have seen only weaker storms. They are left with the false impression that a hurricane is "no big deal". Further compounding the problem, road construction has not kept pace with the population making timely evacuation questionable. Complacency and evacuation delays could result in significant loss of life.

Hurricane frequency is cyclic. Statistically and atmospherically hurricane activity is likely to increase over the next several decades. So, in the end the best hurricane defense is preparedness for your family, your business, and you. **What should you do?** There are many simple, practical things you can do to increase your readiness. The best advice I can give you, because space and time is limited, is to stop by the American Red Cross office at 2516 Colonial Boulevard, #201 in Fort Myers. They have several excellent pamphlets that will guide you in creating a practical disaster plan for your home and office.

## RECOGNITION

**Fort Myers - H. Quillian Jones, M.D.,** was awarded the **Raymond H. Alexander Award** at the annual meeting of the Florida Chapter, American College of Surgeons on June 27, 1998 at the Mission Inn at Howey-in-the-Hills, Florida. This award recognizes outstanding dedication and service to the medical profession in the field of surgery. It is named after Dr. Raymond Alexander, who was a tireless advocate for trauma care in the state of Florida.

A native Floridian who was born in Fort Myers, Dr. Jones received his Bachelor of Science degree from The University of Florida, and his Medical Degree from Emory University School of Medicine. Dr. Jones has been a Fellow of the American College of Surgeons since 1964. He served the State of Florida as an ACS Governor from 1983 to 1989. He served on the Council and was elected twice as President of the Florida Chapter, American College of Surgeons.

Dr. Jones is currently the Associate Medical Director of Hope Hospice and Palliative Care in Fort Myers.

## AS I RECALL...

*Roger D. Scott, M.D.*

### "PRIVY"

It appears that we know each other well enough now that I can confide and make you privy to a childhood recurring nightmare of mine. Background is needed and it begins when we moved from Sumica (you all know where Sumica was) to Kenansville, Florida. Kenansville had two buildings and the sawmill, but no electric power, or running water and consequently many of the pleasures that most of you have enjoyed throughout your life such as flushing toilets, bathtubs and showers, electric lights, air conditioning (did not come along until the late 1930's and then was delayed for general usage until the end of W.W.II), and refrigeration were absent. If you don't have running water or plumbing, you certainly don't have a bathroom. It was necessary to have a privy (outhouse, OH). The OH was located usually a short distance behind the house and was built over a manmade pit several feet deep and large enough to fit only beneath the building. It was difficult to build one of these privies in South Florida because of the sandy soil, and it was necessary to shore the walls of the pit with boards in order to keep the sand from collapsing in. In the OH was a bench with holes cut in the seat for positioning of the buttocks for the act of excreting. We lived at Kenansville from the time I was one year old until I was five years old and when I was old enough to walk well I would use the OH. The original problem came with the rather large size of the hole cut into the board and it was necessary for me to hang on for dear life to keep from falling into the pit which was festooning with hydrogen sulfide gas, decomposing waste matter, flies, maggots and such. My recurring nightmare was that I was falling into this terrible pit of boiling sewage. You probably think the modern day Porta John is a rather odoriferous little shed but you haven't really lived until you have visited a well seasoned OH! I can remember well at least several of the years we lived under these circumstances, and because of the recurring nightmare my father made a small hole for me which somewhat relieved this fear but still the nightmares persisted. At night we would not venture to the OH as in South Florida in the woods it was not uncommon for major wild animals to go walking through the yard. Instead of using the OH for necessary functions at night, slop jars (chamber pots) were kept in the bedrooms. Guess what was used for toilet paper!

At age 5 we moved to Townsend, GA where there was flowing water and some electric lights. Even today I remember the first time ever seeing such a marvelous invention as a flushing toilet. I just sat there on the floor and kept flushing that thing until I had used most of the water supply for the small area where we were living.

We just kept going up in the world and finally went to a bigger town (Live Oak, FL) of about four or five thousand people and had all of the modern marvels of the times. Eventually the OH nightmare disappeared.

As a young man I was helping my father survey some timberland in Levy County, FL and as we were walking through the woods all of a sudden the ground gave way beneath my feet. It felt as if I was going into one of the famous Florida sink-holes, but instead it was a "stink-hole". It was the site of a former OH

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The Editors welcome contributions from the members. Opinions expressed in the BULLETIN are those of the individual authors and do not necessarily reflect policies of the Society.

## PHYSICIANS IN THE NEWS
### DID YOU KNOW...

- As of July 27, 1998, **J. Andrew Burnham, M.D.** and **Douglas M. Stevens, M.D.** will be moving their **Fort Myers Practice Ear, Nose and Throat Consultants** to 8380 Riverwalk Park Boulevard Suite 200, Fort Myers, FL 33907. Telephone - 481-4911.

- **Juan C. Domingo, M.D.** is now practicing with **Bharath Radhakrishna, M.D.** and has moved his practice to 1228 SE 8th Terrace, Cape Coral, FL 33990. Telephone - 574-3735.

- **Hilario G. David, M.D.** has joined **Marshall D'Souza, M.D.** in his practice at 4507 S.E. 16th Place, Cape Coral, FL 33904. Telephone - 549-4140.

### RETIRING

- **Michael E. Steier, M.D.** is retiring from **Cardiac Surgical Associates of Southwest Florida.**

### AS I RECALL... *(continued from page one)*

that had been abandoned and the house torn down but the pit covered with old boards had rotted and given away with my weight upon them. Thankfully, most of the contents in the pit had become dehydrated and not so terrible except that my father would not let me get back into the car until I jumped in a lake with my clothes on and rinsed off.

So it seems that all good things come to an end and we no longer have outhouses. There have been various artists in the country over the past years that have made drawings of outhouses around the country and they were made into a collection by the makers of a famous stool softener and distributed to physicians a few years ago. Unfortunately, I gave my pictures to an outhouse picture collector and I have no visual remembrances of the old outhouse.

Now as the usual custom we must make this a medical article. The black widow spider loves the dark dank atmosphere found beneath the seats of the outhouse and as the man's scrotum hung through the opening it made a perfect target and the most common site for a black widow bite. Just another bit of modern history but I do not know where the most common spider bite is now.

Hope all of you had a nice Summer vacation and none of you stepped in "it" or fell into a pit!

## LCMS ALLIANCE/FOUNDATION NEWS

*Respectfully Submitted by Lisa Fleishman, Corresponding Secretary*

### WELCOME BRUNCH

Every year the Lee County Medical Society Alliance and Foundation boards welcomes new physician spouses by hosting a Welcome Brunch. All Alliance members are invited to attend. This year's brunch will be held on Wednesday, September 2, at the home of Susan and Richard Glasser, 11301 Longwater Chase Court, Fort Myers, FL 33908. The brunch is being chaired by Noreen Kurland, Maureen Schwartz, and Karen Weiss. If you know of any new physicians in town, please contact Maureen at 768-1999, Noreen at 481-8820, or Karen at 768-3293. If you are a new physician in to Lee County, please encourage your spouse to attend the Welcome Brunch. It is a great way to meet new friends, as well as become familiar with the Lee County Medical Society Alliance.

### POTLUCK IN PARADISE

Our 8th annual Potluck in Paradise will be held Saturday, September 19th at 7:00 p.m. at the home of Doctors Bill Carracino and Marilyn Kole, 13777 Pine Villa Ln., Fort Myers, FL 33912. Janice Yallof and Lisa Reynolds, co-chairs, are busy planning a casual evening of great food and fun. Potluck is a wonderful way to meet new friends and colleagues and "catch up" with old ones. We hope to see you there! Please RSVP to Janice at 768-6272 or Lisa at 768-2918.

### LEE COUNTY MEDICAL SOCIETY/ALLIANCE JOINT MEETING

There will be a joint meeting of the Lee County Medical Society and the Lee County Medical Society Alliance on September 28th. This will be a very informative Legislative meeting with political candidates in attendance. Please encourage your spouses to attend this important meeting.

### CHARITY BALL 1999

It is time to start thinking about the 1999 Charity Ball. Anyone interested in helping to plan this year's event is invited to attend a meeting on September 23, at 9:30 am in Northern Trust Bank. Please RSVP to Vivian Lang at 481-6116, or Fran Fenning at 936-8670 if you plan to attend.

### FEBRUARY 14, 1999 - VALENTINES DAY EVENT

Mark your calendars! A very special Valentines Day Event is in store for 50 romantic couples. The Lee County Medical Society Alliance Foundation, in partnership with Northern Trust Bank, will be sponsoring an Evening at the Theater. The evening begins with an elegant dinner served to you in a Bank turned Bistro atmosphere at Northern Trust Bank. Afterwards, you will be brought to the Barbara B. Mann Theater to attend Andrew Lloyd Weber's production of ***The Phantom***. There are also other treats in store! What could be a more perfect way to celebrate Valentines Day? A donation of $200 per couple will reserve your tickets to this exciting event. All proceeds will go towards the Charity Ball Major Recipient and Mini-grants Fund. Big Brothers/Big Sisters of Southwest Florida, Inc. has been chosen by members of the Alliance to be this year's Major Grant Recipient. Funds donated will be used to establish a "Bigs Drop in Center". This will serve as a home away from home, open nights and weekends, for Big Brothers/Big Sisters participants. This is sure to be a memorable event so make your reservations now. Since there are only 100 seats, the first 50 couple reservations will be accepted. To R.S.V.P., send your $200 check payable to, Valentine's Day Event, LCMSAF, P.O. Box 6445, Fort Myers, FL 33911. For further information please call, Valentine's Day Event co-chairs Ana Gregg at 433-9634 or Sue Backstrand at 278-0088.

## PHYSICIANS – ARE YOU AT RISK FOR KAROSHI?

*Charles Adkins, M.D.*

No doubt about it, these are stressful times, especially for physicians. Managed care. Malpractice suits. Medicare audits with triple damages and five-digit penalties. And that's just the start of the list.

We work longer hours for the same or less money, and we endure constant pressure to maximize efficiency. How do we cope?

We all know the consistently noted sequelae of protracted stress: hypertension, increased incidence of coronary artery disease, ulcers, hyperplastic adrenal glands and an attenuation of some key components of the immune system. The Japanese, many of whom work more than 50 hours a week, have given a name to what too often befalls hard-working individuals; karoshi or "death by overwork."

The psychological fallout from unrelieved stress is also well-documented. Burnout, sleep disturbance, anxiety, depression, adjustment disorders, and substance abuse head the list. We physicians are at high risk for these - and their sad consequences, such as divorce and suicide.

### HOW CAN WE DE-STRESS?

Quit being a physician and become a novelist whose every book is made into a Hollywood motion picture...or take up woodworking.

I kid about the former; it's an ambition I naively think will diminish the stress in my life. Realistically, as I approach the release date of my first book and contend with agents, publicists, editors, lawyers, and the like, I suspect I am just exchanging one set of stressors for another.

The latter suggestion, pursuing a hobby or other activity to pull us out of the daily grind and plunk us into moment-to moment mode is a well-validated way to lower stress.

Much of our experience of stress has less to do with the reality of a given situation than with our thoughts about it. When I give talks on stress management, I present the following scenario and ask for audience responses: You receive a certified letter from an attorney. Tell me what you think the letter contains and how that makes you feel?

Some people imagine the letter brings news of an inheritance and it makes them feel great. To others, the letter is the opening salvo in a lawsuit that will wipe them out financially. This latter group describes churning stomachs, sensations of dread accompanied by rapid heartbeat, a tightness in the chest and other classic anxiety symptoms. This audience experiment is a powerful demonstration of how our thoughts transform into physiological and psychological symptoms.

### IT'S NOW THAT MATTERS MOST

Living "In the Moment" is one of the best strategies for diminishing stress and its effects on mind and body. There is a Zen saying I cherish: "Anxiety doesn't live in the present. It lives in the past and the future."

Indeed, I tend to worry about whether I will be able to cover my responsibilities in the coming weeks. I worry we won't secure enough managed care contracts or that I will need to fight a managed care reviewer tomorrow morning to get services for a patient. But when I dwell on yesterday or stress out about the future, I am not very present in the moment, which means I may have trouble communicating with a patient sitting before me in the here and now.

So should I quit my job and head to the ashram? Although I might enjoy that for a short time, it's not a real-life solution. Better find a way to make smaller changes that will help me get a handle on stress.

### PHYSICIAN, LOVE THYSELF

As physicians, most of us dispense advice to our patients about proper nutrition, exercise, nurturing strong relationships, the importance of hobbies and leisure time, and the benefits of humor, faith, love, and laughter. But do we give these strategies importance in our own lives?

I can hear your objections: "I have no time. I work 60 hours a week and come home to: the kids, my aging parents, the laundry, the bills..."

But I am not suggesting radical change. Rather, if we identify unhealthy patterns and target just one or two of those for daily practice, it can have an excellent effect that encourages us to target a few more.

*(continued on page four)*

## THE QUESTION MAN
OPINIONS - EDITORIALS
LETTERS TO THE EDITOR
John W. Snead, M.D.

### SEPTEMBER'S QUESTION:
### "SHOULD MALPRACTICE LIABILITY BE EXTENDED TO MANAGED CARE HEALTH PLANS?"

James O'Mailia, M.D.
Gastroenterology

"It would seem that all members of the 'Medical Team' (physicians, nurses, hospitalists, etc.) should share responsibility for malpractice liability and that would include managed care health plans. Why should insurance companies be protected from their responsibility for the overall care of the patient? Clearly, attorneys would like to see health plan involvement for obvious reasons and thus the question of costlier medical care would probably occur. However, health plans involved in medical decision making, albeit in various degrees, should help and participate in shouldering the burden of malpractice liability."

Ronald Castellanos, M.D.
Urology

"Yes!"

**October's Question:**
### "SHOULD DRUG COMPANIES BE ALLOWED TO ADVERTISE PRESCRIPTION DRUGS DIRECTLY TO PATIENTS"

Send your comments to the Medical Society. BULLETIN deadline is the 15th of each month...we want to see you in the print media!

## SPECIAL PEOPLE COLUMN

*I wanted to personally thank you for taking the time and making special arrangements to tour Dr. Seirge and Alexander Fedosov through the Health Park Facility on Friday, July 17th. They were totally awed at the modern system of medical care that Health Park has to offer.*

*Chegdomyn, Russia is a very remote city in the Khabarovsk Region of Far Eastern Russia. They are 19 hours by train to the nearest large city. Dr. Seirge is the "Chief of Staff" at his regional hospital. He has a staff of 22 doctors. They are housed in an old army barracks. Patients rooms have as many as 25 beds to a room with no bathing facility and no hot water on many winter days.*

*Our church has started "12 Baskets MD" which collects medicines from many sources and ships them to the Chegdomyn Hospital. We will be sending a team on September 1st to investigate what is needed and how to begin a mercy mission in this town to upgrade the facility and also provide money to purchase modern equipment. You inquired of him "Wouldn't you like to come to America and practice medicine?" His answer is no - he would like to take some of our medical advancements back to his home and the people he loves. He truly wants to improve life in his community.*

*As we were preparing to leave, he had stepped out of the hospital before us. We found him outside crying. Crying for his people and his country. You see, part of the communist lie for his life time he was told that they were modern and advanced. He was truly a shaken man to see what American physicians have in their practice of medicine.*

*A side bar to your tour arrangements...it gained our congregation great favor with Dr. Seirge. He was approached by a childless couple in our congregation and because we had loved him so much and treated him like royalty, he has extended them great favor and is returning to Russia to help them receive a child for adoption. They now have great hopes for a child to be taken into their hearts and lives to love.*

*Again, there is so much to tell you about our Russian friends. I really wanted to extend my greatest thanks to you for taking the very special time and making extraordinary arrangements for this tour. You made his visit to America extremely special.*

*If you have access to any knowledge of any way the Lee County Medical community would like to become involved in this Mission Russia project of Sanibel Community Church, please contact myself at 395-0392 or Dave Hoggatt at 472-4330. We know God intends to bless these wonderful friends from a distant land.*

*In His Love, Barbara Nave Sanibel Community Church*

## 1998 AMERICAN MEDICAL ASSOCIATION ANNUAL MEETING

*David Shapiro, M.D. Alternate FMA Delegate*

As a result of the actions taken by the Florida Medical Association House of Delegates at their Annual Meeting for 1998, thirteen resolutions were taken by the AMA Delegation for consideration at the AMA Annual Meeting. The final dispostion of these resolutions is as follows: One was adopted, three were not adopted, three were adopted as amended by the AMA, and six were reaffirmed as existing AMA Policy. This is summarized in the following box scores:

| | |
|---|---|
| Resolutions Adopted: | 1 |
| Resolutions Not Adopted: | 3 |
| Resolutions Adopted as Amended | 3 |
| Resolutions Reaffirmed as Existing AMA Policy | 6 |

The following is a brief review of these resolutions as well as the final outcome, as indicated above.

### RESOLUTIONS ADOPTED:

- **Require Representatives of Insurance Companies to Identify Themselves** ~ This resolution asked that the AMA lobby for regulation requiring that representatives of insurance entities identify themselves to physicians by a mutually agreeable method of verifiable identification. The intent behind this resolution was to provide the physician dealing with the insurance company proof of conversation or interaction with the insurance company in order that the physician may document this communication. This initiative is also meant to address the problem of claims denial for lack of prior authorization when an insurance representative has previously told the physician that they do not need prior authorization.

### RESOLUTIONS NOT ADOPTED:

- **Tricare Quality of Care** ~ This resolution asked that the American Medical Association attempt to have the Department of Defense rescind policies, which could result in the transfer of Tricare patients with certain designated diagnosis to a facility within 200 miles. This was in response to the Department of Defense mandate that Tricare patients with high-risk pregnancies and with cardiac diseases in need of invasive procedures be cared for at the nearest VA Hospital instead of at the nearest hospital in the patient's community. Testimony presented during the debate on this issue led the AMA House of Delegates to be assured that instances of this practice impinging on quality of care would be investigated.
- **American Medical Association Campaign Expenses** ~ This resolution asks that the American Medical Association House of Delegates set a limit on campaign expenses with verification of actual money spent by the submission of a campaign expense report by each candidate prior to each election. Although this initiative could have resulted in saving component state delegations significant sums of money, during debate on the House floor at the AMA meeting, testimony indicated that most states did not want this kind of restriction placed on their campaign spending.
- **Change to AMPAC's Standing Rules of the American Medical Political Action Committee** ~ This resolution calls for the expansion of the AMPAC Board to include the Chairs of each of the 25 state PAC's with the greatest percentage of PAC members in relation to state American Medical Association potential members. The AMPAC currently consists of 10 members appointed by the AMA Board of Trustees one of whom is a member of the AMA Alliance and a member of the AMPAC Committee. Testimony on this issue reflected the fact that the AMPAC Board, as it is presently constituted, is sufficiently representative and that the drawbacks financially and procedurally to increase the Board size would have a negative effect on the Board's activities.

### RESOLUTIONS ADOPTED AS AMENDED:

- **Medicare Abuse** ~ This resolution requested that the AMA seek federal legislation requiring HCFA and all Medicare contract carriers to pay interest for clean claims not reimbursed within 35 calendar days after submission. Also, that the interest to be paid to physicians be equivalent to that currently paid by physicians to HCFA for overpayments. The House of Delegates adopted as amended substitution resolution which stated that the AMA pursue federal legislation as a means of implementing policy H-190.981 which calls for all health insurance entities to pay within 14 days for clean claims when filed electronically and paper claims within 30 days with interest accruing thereafter. The intent of this amended substitute resolution was to make the Florida initiative more consistent with standing AMA policy.
- **Physician Income Reporting Data** ~ This resolution requested that the AMA never voluntarily offer physician income data/statistics to the media, public, or elsewhere unless as a direct response or retort to a misleading, incorrect, or arbitrary story, and when reported, to use a methodology based on median hourly compensation. There is extensive AMA policy on physician income data. Standing policy encourages all who prepare reports on physician incomes to include not simply "mean" (average) data, but also "median" data and quartile distributions which are far more representative of actual physician income profiles and are better reflections of medical care costs. Other AMA policy encourages the collection of accurate health care information and research to develop improved approaches to collect, evaluate, and disseminate health care data. The House adopted a substitute resolution refining the Florida position. The final language mandates that the AMA regard physician income data as proprietary and that the Board of Trustees report to the House of delegates regarding the collection and release of this data. The resolution also requires that the AMA conduct a survey of compensation of all physicians nationally and regionally over the past 10 years, and to clearly determine the impact of current reimbursement practices and managed care on the practice of medicine and that physician income be reported at a per hour rate.
- **E & M Documentation Guidelines** ~ The original Florida resolution recommended that the AMA emphasize educational activities and the development of tools to assist physicians in understanding and use of the E & M documentation guidelines. The entire topic of E & M documentation guidelines was one of the most widely debated at the Annual AMA meeting. Many states in addition to Florida had also submitted resolutions regarding the AMA's position on the development of these guidelines. The AMA reference committee combined these resolutions into a substitute resolution which was, after lengthy debate, adopted by the House. The adopted substitute resolution requires the AMA to stand firmly committed to eradication of true fraud and abuse from within the Medicare System and
  1. effectively assist in identifying, policing, and determining true fraud and abuse,
  2. protect physicians in cases of differences in interpretation and/or inadvertent errors in coding by public or private payers of law enforcement agencies,
  3. ensure that the burden of proof is the Government's, and
  4. seek Congressional action to enact a "knowing and willful" standard in the law for civil fraud and abuse.

### RESOLUTIONS REAFFIRMED AS EXISTING AMA POLICY:

- **Decriminalization of Medical Decisions** ~ This resolution provided that the FMA and AMA protest the indiscriminate use of criminal prosecution against physicians. AMA policy already provides that the AMA encourages state and county medical societies to investigate suspected violations of civil rights or denial of due process in federal prosecution involving physicians and that the AMA will respond to any requests for assistance.
- **Negotiating With Insurance Companies** ~ This resolution asked that the AMA seek to repeal the McCarran-Ferguson Act, thereby revoking any antitrust protection awarded to insurance companies and managed care organizations in the setting of fees. There exists extensive AMA policy on this issue, including a policy that calls for an analysis of "proposed amendments to the McCarren-Ferguson Act to determine whether they will increase a physician's ability to deal with insurance companies, or increase appropriate scrutiny of insurance industry practices by the courts".
  AMA policy additionally mandates that the AMA continue efforts to have the insurance industry be more responsive to the concerns of physicians, including collective negotiations with physicians and their representatives regarding delivery of medical care.
- **Professional Courtesy** ~ This resolution requested that the AMA seek statutory changes that would allow physicians to treat other physicians and their families as a professional courtesy and for physicians to be immune and protected from prosecution or interpretation that this courtesy is a violation of fraud and abuse statutes. Standing AMA policy recognizes the long-standing tradition of professional courtesy and reaffirms physicians' rights to provide it within applicable laws and agreements. Further AMA policy states, that professional courtesy is not an ethical requirement and physicians should use their own judgement, and consider possible legal violations, in deciding whether to reduce their fees in such an instance. Federal Law does not prohibit professional courtesy however; a physician may not bill a third party for the service. If a physician waives the patient cost, he must also waive reimbursement.
- **Right of Physicians to Collectively Bargain** ~ This resolution asked that the AMA strongly support the "Health Care Coalition Act" in the U.S. Congress, as proposed by Representative Tom Campbell. The intent of this resolution was felt by the House of Delegates to be consistent with standing AMA policy on this issue.
- **Uniform Procedure for Prescription Drug Patient Assistance Programs** ~ This resolution requested that the AMA through PMA, PhARMA, or with independent pharmaceutical companies, intensify its efforts to develop a universal application process and eligibility criteria for the program and use as a model in the Glaxo/Wellcome Patient Assistant Program. There is extensive AMA policy on this issue, which was felt by the House to be inclusive of the Florida Medical Association position.
- **Joint Commission for the Accreditation of Health Care Organizations** ~ This resolution requested that the AMA Representatives on the Joint Commission for the Accreditation of Health Care Organizations (JCAHO) take whatever steps are necessary to ensure that all regulations proposed by JCAHO to hospitals take into consideration the costs of carrying them out and their "cost-effectiveness" regarding patient care. In addition, the AMA was requested to advocate for the development of a process so that proposals and regulations could be restudied at appropriate intervals and reevaluated if needed regarding their cost effectiveness. The AMA has considerable standing policy, which directly addresses this resolution. This policy was felt by the House to be inclusive of the Florida Medical Association requests.



THE DISTRICT 21 MEDICAL EXAMINER'S OFFICE

### "MOST CREATIVE CAUSE OF DEATH"

In an effort to improve accuracy of diagnosis submitted on death certificates, the Medical Examiner's office is providing us with feed back. Here is one of the more creative recent death certificates:

**Hypertension due to dementia due to chronic urinary incontinence.**

## PHYSICIAN PRACTICE MANAGEMENT

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Physicians remember well when the sky was falling and they had to sell their practices to Hospitals, Wall Street companies, and new and old physician practice management companies ("PPMCs"). "If you don't affiliate with a national partner," the doctors were told, "you'll be left out in the cold." So physicians scrambled to "affiliate". Now, what? For every such affiliation a health care lawyer engages in, there is an affiliation to unwind. Still, PPMCs continue to buy physician practices.

### HOW DOES IT WORK?

In gross terms, PPMCs give physicians money (sometimes alot of it) for their medical practices. In turn, the selling physician enters into a long term (sometimes 40 years) management agreement. The seller's administrative employees become employed by the PPMC, and the PPMC's personnel become responsible for the daily affairs of the practice.

How much the selling physician receives from the PPMC depends on the cash flow of the practice. How much does a practice collect in a year? If the number is $1 million, then discount it a bit, and base the purchase price on that amount. That is, 75% of the $1 million is $750,000. If the management fee is 20%, then start with $150,000 (20% of $750,000). A multiplier is applied (typically 4-7), and that is the purchase price. If, therefore, the PPMC agreed to a multiplier of six, which is negotiable among PPMCs, the purchase price would be $900,000 is the right to basically control the business operations of your practice (an area subject to negotiation) and to receive its management fee for the next 40 (or so) years.

### WHY DO IT?

Why would a physician agree to reduce his or her income by 20 percent or so (the amount of the management fee)? Generally, there are five reasons most physicians give to justify it: (1) the doctor is going to retire in a few years, and this is probably the most any buyer would ever be willing to pay, (2) the physician is getting the purchase price in stock, and the selling doctor expects the stock to be worth alot more when he or she goes to sell it then when the PPMC gave it to him in partial payment of the purchase price, (3) the PPMC can reduce the practice overhead through economics of scale that the PPMC gets through affiliating with a lot of doctors, (4) the PPMC will bring new revenues to the practice, like MCI and ASC income, which the practice could not develop on its own because of the development expense, and (5) the PPMC will aggregate its affiliate doctors, get managed care or other agreements, and protect market share.

Through the assumptions appeal to common sense, physicians have to be very careful that their expectations can really be met. Perhaps the only one of five reasons above which actually meet expectations is the first one. When PPMCs come to buy a practice, the selling physicians generally are not going to get more from someone buying in, depending on the market. In South Florida, for instance, managed care penetration is extensive, and physician incomes and practice values have tended to decrease. Nevertheless, if the selling physician is not careful and clear about his or her expectations, he or she will feel very disappointed after he or she sells the practice.

### DOES IT MAKE GOOD SENSE?

The answer really depends on being clear about the previous issue. The economics in such transactions are interesting though. In the example above, the selling physician got $900,000 up front from the PPMC. After taxes, assuming that all of it received capital gains treatment, the doctor winds up with roughly $720,000 in his or her pocket. If the management fee is 20%, a common fee, all things being equal, the seller can expect 20% reduction in compensation. If, therefore, with a practice generating $1 million each year, the overhead is roughly 50%, the seller would have put roughly $500,000 in his or her pocket. If the management fee is a percentage of the practice's net revenues, rather than the gross revenues, the physician can expect a $100,000 reduction in compensation each year.

One interesting scenario to run, therefore, is, all things being equal, when will the seller have repaid the $900,000 to the PPMC? As mentioned, the physician pocketed $720,000. Paying $100,000 in management fees, the PPMC will basically be made whole (including the cost of capital) in eight years. That leaves another 32 years left to the relationship. How could that possibly make sense then? Again, it goes back to the previous issue.

If the seller in our example received half of the purchase price in stock that was valued by the PPMC at $5.00 a share, and the stock was worth $15.00 when the securities Section 144 restrictions drop off, the physician's original $450,000 worth of stock is now worth $1.35 million. Of course, the scenario could be completely reverse.

What if the PPMC enhanced the practice revenues by 25% through the development of new services? Then perhaps the management fee was worthwhile. Of course, many physicians are surprised to know that they will still have to pay the development cost of the PPMC capital. In fact, in some PPMC deals, the physicians are required to share any profits from new services with the PPMC that developed them (with the doctors' money).

PPMC deals are very complex, not just from a business perspective, but from a legal one as well. Percentage based management fees are now under scrutiny by state and federal authorities, and many new PPMCs are frustrated by health care laws in developing certain services like laws in developing certain services like MRIs and PT. Nevertheless as long as there are buyers.....HELP! HELP!

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### PHYSICIANS...ARE YOU AT RISK... *(continued from page two)*

For example, if you leave the house in the morning without at least a bowl of cereal, that's not good; but you probably could find a way to grab a bit of breakfast if you decided to. If you look forward to ending your day, every day, with several stiff drinks, that, too, could be a problem; but help is available if you choose to ask for it. If you have no hobbies or diversions, do get some. If you have few friends or your marriage is slipping, take action. You deserve better.

For me, a daily strategy to manage stress is critical. If I don't mix a regular exercise, writing and healthy dose of humor; I quickly see negative effects on my mood and sleep pattern. Still, I have room for improvement. For me, the key is a willingness to embrace change – especially small, manageable change – and, as my piano teacher taught me, "If you don't practice, you'll never improve."

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