

# State of Health

The Physician Perspective on Healthcare  
in NWO



# Medical Students

- Recruitment
- Available Clinical Material
- Resident/Attending Influence
- Debt
- Match



# Resident Physicians

- Available Clinical Material
- Resident workforce
- Faculty Recruitment/Retention
- Attending Influence
- Fellowship Availability



# Physician Perspective

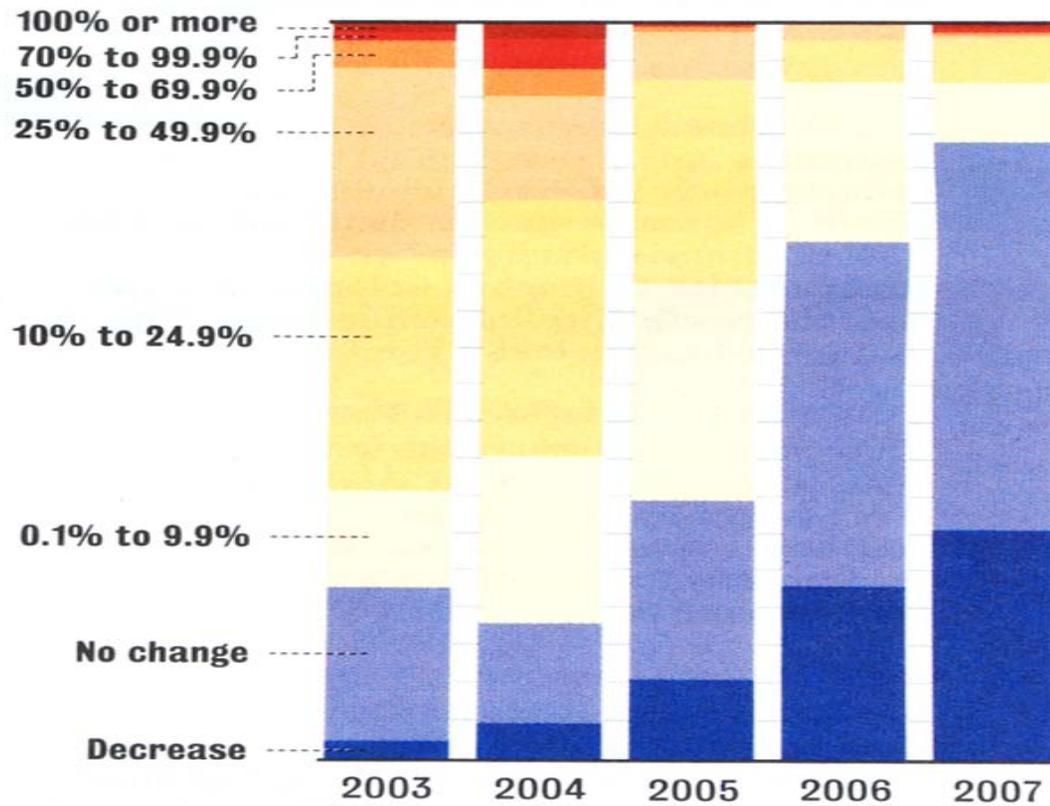
- Malpractice Liability
- Reimbursement
- Exclusive Plans
- Recruitment
- ER Burden



## AN IMPROVING PICTURE?

The number of stable medical liability rates has steadily risen over the past five years, while the number of premium cuts has nearly tripled since 2005.

### BREAKDOWN OF LIABILITY RATE CHANGES



SOURCE: MEDICAL LIABILITY MONITOR, 2007 RATE SURVEY

## Medicare 2008 premium hike low, but doctor pay remains unresolved

Physician organizations are crying foul that private health plans are expected to get a payment increase while doctors get a reduction.

DAVID GLENDINNING  
AMNEWS STAFF

**Washington** Medicare premiums for outpatient services next year will rise just 3.1% — the smallest percentage increase in seven years — due partly to the fact that physician rates are set to be cut by nearly 10% in January.

The standard Medicare Part B monthly premium will be \$96.40 next year, an increase of \$2.90 from the current level. Beneficiaries with higher incomes will be required to pay more based on a sliding scale.

The largest chunk of the premium increase is caused by a projected jump in spending on Medicare private health plans. The juxtaposition of physician payment cuts with Medicare Advantage pay increases has physician organizations bristling. They argue that the insurers already are overpaid.

"It is outrageous that all Medicare patients are helping subsidize overpayments to private insurance companies while only one in five Medicare patients participates in a private Medicare plan," said American Medical Association Board of Trustees Chair Edward L. Langston, MD. "Medicare patients' premiums are rising, yet the government is cutting payments to the doctors who care for them, which will make it harder for seniors to see the doctor."

Physician associations, which are

**Continued on next page**

# Expenses vs. Paymen



	2001	2002	2003	2004	2005	2006
Health premiums	10.9%	12.9%	13.9%	11.2%	9.2%	7.7%
Workers' Earnings	4.0%	2.6%	3.0%	2.1%	2.7%	3.8%
Malpractice Costs	20.5%	31.2%	27.4%	20.1%	6.7%	- 1.5%
Overall Inflation	3.3%	1.6%	2.2%	2.3%	3.5%	3.5%
Medicaid	0%	0%	0%	0%	0%	0%
Medicare	4.5%	-4.8%	1.7%	1.5%	1.5%	0%

# Physician Perspective cont'd

- Economy
- Under/Uninsured
- Aging/Preventive Care
- Accessibility
- Plan Satisfaction



## Study cites effects of insurers' doctor turnover

**A report says health plans that are less successful in retaining physicians have less-satisfied members who receive less preventive care.**

EMILY BERRY  
AMNEWS STAFF

A recent study showing that health plans have a median physician turnover rate of 7.1% is more evidence that reimbursing physicians fairly and giving them control over treating their patients is good for health plans' own bottom lines and their members'

health, the authors said.

The study, published in the August *American Journal of Managed Care*, noted that annual turnover rates for the 615 health plans that reported to the National Committee for Quality Assurance ranged from 0% to 53.3%. The plans reported their data from 1999 to 2001.

The study also showed that patients were less satisfied with health plans that had high physician turnover, and that patients in plans with high physician turnover were less likely to receive preventive care. For example, a 10% turnover rate was as-

sociated with a 0.9% drop in patient satisfaction rated "high," and a 2.7% drop in well-child visits the first 15 months of life.

Mary Plomondon, PhD, who is affiliated with the Care Coordination Research Center at the Eastern Colorado Health Care System, Denver Veterans Affairs Medical Center, and was the lead author for the study, said there may be a certain level of physician turnover that could be characterized as the cost of doing business. "but there's a huge range ... Is the normal cost of business 5%, or is it higher?"

Citing previous studies and sur-

# Physician Perspective cont'd

- Reality vs Perception
- Market Share Wars
- Duplication
- Restricted Access



# What Can We Do?

- Debt Forgiveness



## Loan repayment law must change

The AMA is working closely with medical students and early-career physicians to urge Congress to change a provision in a new education financing law that could place up to 67% of resident physicians in a financial pinch.

At issue is the elimination of the 20/220 pathway—a regulation that had enabled many resident physicians to qualify for economic hardship deferment, and thus defer payment on subsidized loans for three years without accruing interest. Residents qualified if their debt burden was greater than

20% of their income, and if their income minus their debt burden was not greater than 220% of the federal poverty level. The average first-year resident earns just over \$43,000 a year and carries a debt burden of more than \$130,000.

Under the College Cost Reduction and Access Act that took effect Oct. 1, the 20/220 pathway no longer exists. Instead, under a new program, loan repayments would be capped at 15% of the borrower's income that is above 150% of the federal poverty

level. But the new program doesn't start until July 1, 2009, effectively leaving today's residents with no time to arrange for a loan repayment plan.

The AMA is strongly urging Congress to reinstate the 20/220 pathway for economic hardship deferment eligibility or at least delay its elimination until July 1, 2009, to coincide with the start of the new program. Such a delay would give Congress time to make necessary adjustments in the program and give residents time to prepare for the changes.

## Student loan deferment program restored — for now

Qualifying residents get a year's reprieve while final rules are developed to determine the program's future.

MYRLE CROASDALE  
AND DAMON ADAMS  
AMNEWS STAFF

An economic hardship student loan deferment program that medical school graduates use as they go through residency will remain in place until fall of 2008, and more stu-

A first-year resident needs less debt to qualify under the new loan deferment plan.

focus to the program's ultimate fate. At its Interim Meeting in Honolulu Nov. 10-13, the AMA House of Delegates adopted a policy that the AMA work to reinstate the economic hard-

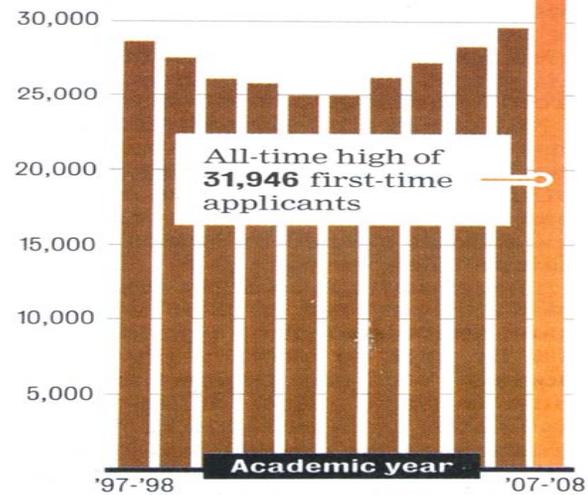
# What Can We Do?

Debt Forgiveness  
Inc Medical Student Pool



## ALLOPATHIC SURGE

The number of first-time allopathic medical school applicants for the 2007-08 academic year reached an unprecedented level, according to the Assn. of American Medical Colleges. Experts say a growing awareness that a physician shortage lies ahead is driving career choices.



SOURCE: AAMC

## We have more students,

**T**he largest medical school expansion since the 1970s is taking place, fueled by growing alarm that not enough new physicians are graduating each year to keep up with the needs of a surging U.S. population.

With some work force experts estimating that by 2020 the country will

# Now what?

contribute to resident training.

One recommendation under discussion is the creation of local regional planning bodies to help define the size and location of medical student and resident training.

"We've got to be more purposeful about this or we'll wind up with

# What Can We Do?

- Debt Forgiveness
- Inc Medical Student Pool
- Inc Residency Slots

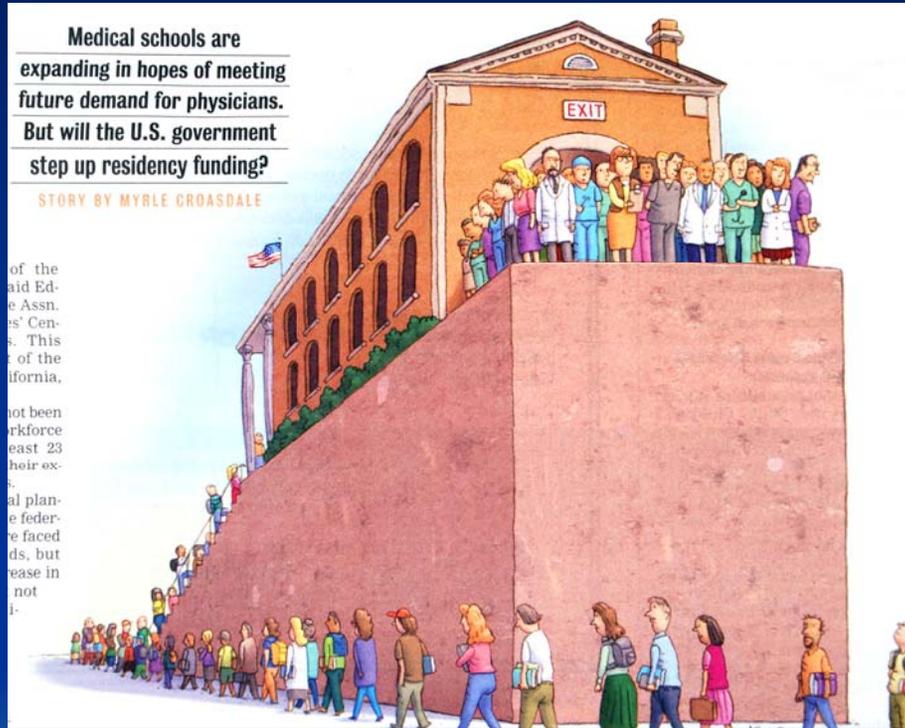


**Medical schools are expanding in hopes of meeting future demand for physicians. But will the U.S. government step up residency funding?**

STORY BY MYRLE CROASDALE

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# What Can We Do?

Debt Forgiveness  
Inc Medical Student Pool

- Background Ties
- Office Start-ups
- J1 Visa Waivers
- CON
- Mission
- Held Harmless

