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Dear Doctor St. Petery:

Please find a detailed response below to your very stimulating questionnaire.

**1. A. Would you work as hard to improve the Medicaid system in Florida as the FMA currently works on Medicare reimbursement?**

Acknowledging that Medicaid payments are woefully inadequate, the FMA has actually tried for several years to bring Medicaid reimbursement to Medicare levels. We have been inhibited by severe budget shortfalls. A small surplus in recent years actually went to pediatricians. Still, Florida's pediatricians remain under-compensated.

Part of the problem was an experiment called Medicaid Reform that proved to be a disaster for pediatric patients and their physicians. It has placed obstacles in front of physicians attempting to provide care for their patients. I have taken a leadership role in preventing the expansion of Medicaid Reform and have called for its rescission. Senators Durrell Peaden and Don Gaetz concur.

The short answer to the question is an unqualified "yes". Although increasing Medicare reimbursements has been contested at the national level, Florida remains delinquent in enrolling potential Medicaid applicants and providing a seamless system compensating providers. It is realized that 30% of a pediatrician's practice involves Medicaid patients and pediatricians who deserve to be adequately compensated.

**1. B. What specifically would you propose as changes and which of these proposals do you anticipate would have the most positive impact?**

The Medical Home concept of integrated health care would have the most beneficial impact for pediatricians and primary care physicians alike. It places physicians at the top of the health care pyramid and compensates them for organizing comprehensive care. When asked by the FMA to

do an evaluation of Medicaid Reform, we were charged to provide alternatives. Medical Home is a plan that has been successful reducing costs in North Carolina and improving outcomes. It has already achieved meaningful governmental recognition both nationally and in Florida. Until the United States implements a plan of Universal Access, Medical Home appears to be a viable alternative.

**2. A. Would you oppose any legislation that would interfere with access of children to immunization?**

I would oppose any such legislation. While any parent would sympathize with a child developing autism, there is no scientific evidence to suggest that mercury/Thimerosal causes autism. Nor is there evidence that Wakefield's hypothesis of exposure to attenuated measles vaccine causes autism. Removal of mercury has not resulted in a reduction in autism rates. The majority of Wakefield's supporters later retracted their support when it was shown that science was not on their side.

Even more important is the concept of the "herd" effect and its nefarious effect in Nigeria. We simply cannot allow that to happen in the United States or Florida.

**2. B. What would propose to improve and strengthen the vaccine program in the state?**

An educational program spear-headed by the FMA would lessen unfounded fears. The FMA has not taken a leadership in controversial issues such as vaccinations. I support the Florida Chapter's resolution supporting vaccination.

**3. A. What children's initiative do you believe you can help push through in the next few years as president of the FMA and as a member of the FMA's Board of Governors?**

- booster seats require for children, Resolution 09-2
- oppose state and federal anti-vaccination legislation, Resolution 09-1
- mandatory physical education 09-13.

Your legislative agenda for 2010 is a "full-plate" and will require significant work to achieve passage. However all three issues are worthy of FMA's support and effort.

**3. B. What initiative would help expand access to health care for children, and what issues do you anticipate will present the biggest challenge?**

Some interesting statistics supplied by Kathleen Sibelius, Secretary of HHS:

- 9.8 million people receive insurance on the job. Family premiums average \$12,780, about the annual earnings of a full-time minimum wage job.
- Florida employer coverage is declining from 57 to 54% in the last 9 years. Only 39% of small businesses (which constitute 78% of Florida businesses) offer health insurance.
- the "hidden" health care tax is \$1400 on premiums as a direct result of subsidizing the uninsured.

- 21% of Floridians are uninsured and 73% of those are households with at least one full time worker.
- 18% of the children in Florida are obese.
- The overall quality of health care in Florida is rated as “weak”. (AHRQ, 2007)

These are the challenges. More directly, expansion of access to health care for Florida’s children can be achieved by strengthening outreach, simplifying enrollment, and utilizing common application forms. Other straight forward measures are incorporated in “Covering Kids” initiative and include the elimination of waiting lists, enrollment caps, and enrollment periods. I would be pleased to strongly advocate these initiatives.

Another initiative that enjoys increasing popularity is the Medical Home concept. It has already achieved some status of credibility. It is attractive to lawmakers because the state can save money and provide better care. Mired as we are in a deep recession and only recently overcoming a huge budgetary shortfall only because of the Federal Stimulus money (which Governor Crist accepted,) any expansion of health care coverage will have to be mindful of economic realities.

Federal initiatives to provide universal access may render initiatives suggested here as meaningless. Virtually all stakeholders realize that our present health care distribution system is expensive (unaffordable,) inefficient, and fragmented. Personally, I am in favor of any universal coverage that can be achieved through a variety of strategies. Coverage that is continuous, portable, unrestricted and coordinated, with levels of physician reimbursement consistent with their years of education and training.

**4. What are the three most important issues facing health care today? How will you address those issues?**

A. *Unaffordability of health care* (and its offspring, lack of access.) The limiting factor for universal access to good, high quality health care is its high cost. Over the past 30 years, medicine has witnessed increased corporatization. Attendant to the dominance of large businesses over what was formerly a cottage-industry; large bureaucracies were established that placed barriers between physicians and patients. There is little evidence that the quality, availability, and affordability have improved as a result of their intrusion. Health care consumes 17% of the GNP and spends roughly \$2.1 to \$2.4 trillion. Despite this huge expenditure - which is almost twice as much as other industrialized nations - Americans have little to show for it. Most of the parameters defined by the WHO (longevity, infant mortality, etc.) place us far down the list. The AMA’s Council on Economics prepared a graph several years ago that showed that roughly a third of every health care dollar is consumed by profit and administration. Thus, Americans receive little value from this enormous investment. Compare this to the Federal Employees Health Benefit system which operates at a modest 3% even back when they administered their own plan before becoming a “cafeteria” plan.

My solution would use the influence the FMA to positively affect change at both the state and national levels that would provide appropriate, portable benefits to all Americans, regardless of income. Families should have a choice of clinicians free from bureaucratic intrusion.

- B. The *high cost* of expanding technology and chronic care exert a tremendous burden on the cost of health care. This reason alone refutes arguments of proponents of “market competition”. Certainly, patients – let alone children – are not consumers since they are unable to negotiate from a position of strength. The cost of cancer chemotherapy would soon exhaust the savings of the average family.

Although some physicians are challenged by the concept of “comparative effectiveness”, such initiatives are both timely and appropriate so long as they are performed fairly and free of bias. Many of these comparisons are performed by academics who are abstracted from the travails of daily clinical practice. I would work with interested stake holders and use the presidency of the FMA to assure that “effective treatments” are determined by science and do not restrict appropriate treatments to individuals. Medicine is far too complicated to be relegated to simple protocols.

Another challenge will be in the area of long-term care. As patients are able to survive previously catastrophic illnesses, many are left infirm and too ill to be cared for by their families. The majority of Medicaid payments in Florida go to nursing homes which provide a needed but less than optimal service. Few doubt that this obligation will evaporate.

- C. Florida is experiencing *attrition of physicians*. At present, there are 33,332 actively practicing physicians, about 50,000 hold licenses. Of those practicing physicians, the average age is 50; half are expected to retire within 10 years. Beyond age, reasons for attrition are two-fold: tort and low reimbursements. Although we (the FMA) was responsible for passing tort reform legislation in 2003 and a constitutional amendment in 2004, and we have enjoyed a reduction in the frequency and severity of awards, the problem lingers. Defensive medicine practice patterns persist adding to exaggerated costs. Low reimbursements continue to be a problem (particularly for pediatricians) in a state dominated by managed care. Medicaid rates are unrealistically low and practice obstacles high. Physician morale is low. Florida is simply not a “good” state in which to practice.

Adding to this attrition is the low number of post-graduate residency slots. Data reveal that most residents practice within 50 miles of where they were trained. Beyond this, medical students are saddled with so much debt that they cannot afford to pursue under-compensated specialties like pediatrics and family practice. (About a third of the 1<sup>st</sup> and 2<sup>nd</sup> year medical students at the University of Miami plan to enter dermatology or plastic surgery!)

A solution will require a multi-factorial approach.

- (1) A fresh approach to tort-reform, using a specialized “Health Court”. (I authored and passed a Resolution at the FMA HOD several years ago. It was never implemented.)

- (2) Replacing the managed care model (with its attendant 30% over-head ) with the Medical Home. This should divert a greater portion of the health care dollar to physicians.
- (3) Double the pay for primary specialties. They can do 90% of the work much more efficiently and with the same outcomes.
- (4) Increase reimbursement for all physicians to at least national median income levels.
- (5) Increase the number of residency slots. (Your AMA delegation has been using its influence to do this and has the support of both Sen. Martinez and Sen. Nelson.)
- (6) Establish a fraud committee within the FMA to identify fraud and work with the state to reduce its frequency. This money can be diverted to increase Medicaid rates.

D. A fourth potential problem is the newly introduced concepts of “value based reimbursement” and “bundling” physician payments with hospitals. Value based medicine is too undefined to challenge. Medicare’s bundling hospital with physician payments would significantly reduce the doctor’s independence and ability to advocate on behalf of their patient. Although willing to seek new solutions, organized medicine must insure that hard-working physicians are not disadvantaged.

**5. What are the three most important issues facing Florida’s physicians today? How will you address those issues during your term?**

A. *Loss of physician autonomy.* Physicians have experienced an erosion of their ability to credential, peer review, and self-govern to the detriment of both themselves and their patients. These powers –although strongly supported by the courts (i.e. Lawnwood Hospital’s Supreme Court decision) – have been increasingly usurped by hospitals. Joint Commission Standard (MS 1.20) was to create parity between medical staffs and the hospital administrations in July, 2008. At the forceful influence of the American Hospital Association, this standard was never implemented. To the good, a revised standard (MS 1.2010101) should take effect in 2011. Further, there have been numerous instances around the state and nationally where hospitals have manipulated the election process of medical staff officers, engaged in sham peer review, and forced employed doctors to comply with standards potentially disadvantaged to patients.

In June of 2008, I successfully passed a n emergency resolution at the AMA House of Delegates that would enable the AMA to withdraw from the Joint Commission if MS 1.20 were not implemented.

I serve on the FMA’s Sham Peer Review Committee where we have already proposed legislation that would protect physician “whistle-blowers” seeking legislation similar to California. We also desire to create a regional peer review system similar to Texas that would remove the peer review process from the internecine influence of local hospitals. Lastly, I have introduced a

resolution for the 2009 FMA HOD that would made medical staff elections free from hospital manipulation. These initiatives will be vigorously pursued.

- B. *Physician reimbursements* are unrealistically low for all physicians. The primary specialties are so low as to be non-sustainable. Although pediatricians and family practitioners remain the back-bone of health care and the most protective of their patients best interests, their economic viability is significantly impaired. Except for some boutique specialties, all physicians are undercompensated relative to their education, experience, risk, and hard-work. Ewe Rinehart, PhD, the medical economist from Princeton, has said to “leave the doctors alone” from further cuts.

National health care initiatives, elimination of the Medicare Advantage Plans, constriction of managed care plans, reduction of health insurer’s profitability, reduction of fraud, expansion of Medical Home, elimination of Medicaid Reform, moving the SGR to the MEI, and increasing Medicaid to at least Medicare rates should allow for more realistic physician reimbursement. As president of the FMA, I would articulate this need often, loudly and clearly.

- C. *Intrusion of managed care into the practice of medicine* has generated a deterioration of professional conduct. Impaneling physicians based upon their willingness to accept low reimbursement has established a troubling paradigm for health care delivery. To succeed economically, physicians have had to conduct themselves in a manner inconsistent with high professional ideals.

Physicians will need to be encouraged and a post-managed care system will have to be established that restores a system that promotes quality, efficiency, and optimal patient care. Financial incentives should be developed that reinvigorates those qualities that have been the bedrock of medicine for many millennia. For physicians to be politically successful, we will have to remain focused on advancing primarily the needs of our patients.

## **6. A. Are those issues change based on a particular specialty or practice setting?**

1. The issue of physician autonomy more directly affects physicians whose practice mainly in hospital. Loss of self-governance deprives practitioners of support when articulating the needs of their patients. This issue transcends hospital based physicians. Adult and pediatric generalists are often dissuaded from attending their hospitalized patients when the hospital obstructs their ability to write orders. With the loss of independent medical staff leadership, the needs of community physicians are not articulated.
2. Payment issues remain a key concern for all doctors, but particularly for primary care doctors and pediatricians.
3. My outsider’s opinion suggests that there is considerably more professionalism among pediatricians. Perhaps having bonded with patients over the course of many years has

allowed them to be generally concerned with their well-being. This is also true for family practitioners. Both groups appear to demonstrate high regard for the “patient-physician” relationship.

### **B. How will children’s issues be impacted?**

Further loss of revenue will be felt most keenly by poor children and dependent mothers as the recession produces further spending restraint. Since children don’t vote, they are easy targets. Few beyond pediatricians have taken up their cause. With 30% of a pediatrician’s practice involving Medicaid patients, improving reimbursement should be beneficial to pediatricians. Since 52% of Medicaid children receive services from HMOs, mitigating their pernicious influence should improve funding to pediatric patients. Strengthening Medicaid and allowing parents to buy-in would be helpful. Other government programs as TANF, Kid Care, Special Needs, Florida Waiver 1115, need to provide the support are they are legislatively obligated to provide.

Children do not disappear when they are not enrolled or dropped from Medicaid. They simply seek care in other venues including primary care clinics or emergency departments, transferring the economic burden to local municipalities. Legislators should be made aware that a coordinated system of pediatric care will save money in the long run.

### **7. How will you balance the sometimes competing interests of specialists vs. sub specialists, pediatricians vs. internists?**

In adult medicine, preservation of income has caused intrusion from one specialty into another, with generalists performing tests/procedures that were previously relegated to specialists. The inter-specialty competition will likely be resolved by the specialty that demonstrates that they offer the best patient benefit. In past years the FMA has been urged to take a leadership role resolving turf battles. The FMA has declined because of fear of losing membership. This still may be an area where organized medicine could help resolve conflicts but only when FMA intervention is requested by both parties.

Regarding pediatricians vs. internists, this issue appears to be resolved locally. Many communities work harmoniously by referring pediatric patients to internists after the “child” reaches 16. This age is arbitrary and dependent upon many factors including the robustness of the pediatric practice and the willingness (or comfort) of internists to treat a younger population.

### **8. How will you improve the participation of specialists and sub specialists in providing care for children under Title XXI and XIX?**

The two largest impediments to specialists (and sub specialists) participation in Medicaid are low reimbursement and intrusive obstructions erected that make it time-consuming and frustrating to provide that care. Most physicians who now participate do so out of a sense of obligation to

their patients whom they previously treated. In Broward, Duvall, Baker, Clay and Nassau Counties, attempting to provide that care under Medicaid Reform has been a nightmare. Physicians attempting to provide care for pediatric patients have face often insurmountable government erected-hurdles when pediatricians attempt to coordinate benefits among disparate governmental agencies such as Medicaid, Supplemental SSI, Kid Care, TANF, and Special Needs programs. Specialist participation will increase if we compensate them fairly and facilitate their practice.

There are several possible solutions:

1. Rescind Medicaid Reform.
2. Initiate lawsuits that would compel the government to fulfill their legal responsibilities.
3. Establish a coordinated system of health care delivery using the *Medical Home* format.

I fully appreciate that many of the initiatives listed above are ambitions. At the same time, I realize that American is standing on the precipice of the greatest change in health care since Medicare and Medicaid were established in 1965. I also believe that the Florida Medical Association can play a leading role in these debates because we are a professional organization dedicated to the best interest of our patients. We will be successful if the FMA functions as a moral force as well as a political force.

Thank you for the opportunity to provide my opinions.

Arthur E. Palamara, MD