



SCOPE OF PRACTICE TRENDS

by: *Bill Appling – J. William Appling and Associates*

Last year in the fall issue of the *Medical Society Quarterly*, I wrote about a number of trends that would both “push and pull” physicians in planning for the future. Many of the trends have happened, are currently happening or in discussion to happen.

Declining reimbursements, increases in costs, and lack of access to care have, and continue to, increase. Although the 2007 Medicare budget was to be budget neutral, the adjustment to RVUs and impact to individual procedures saw a decline in reimbursement from five percent to over twenty percent to physician reimbursements and currently without legislative relief the proposed cut is 10.1%. Reimbursement changes under the “guise” of Pay-For-Performance are currently being introduced and are misleading and inaccurate. They are in the form of tiering physicians into groups based on measurements using data transaction comparisons with no true quality of care measurements or performance indicators. Fortunately, initiatives by some state insurance commissioners and state legislators in other states are requiring insurance companies to cease reporting this information while methodologies or reporting and challenges of incorrect data are being evaluated.

Single specialty groups and consolidation of small physician groups into larger groups have taken place or are in various forms of taking place. These consolidations will give these groups negotiating power with insurers and economies of scale in decreasing the cost to operate. It will also show an increase in revenue streams by giving physicians opportunities to add or consolidate ancillary services. Some examples of moving forward in such areas are the West Clinic and Memphis Heart Clinic and OrthoMemphis, Memphis Orthopaedic Group, and Tabor Orthopedics. Physician groups with shortages in specialty procedures are in a position to leverage their groups with payers and other entities. It is this author’s experience and opinion that efforts with various forms of affiliation or consolidation which are physician driven will have the greatest chance for success.

In last year’s fall issue the increase in competition between hospitals and physicians was discussed and whether hospital administrators would be of the mindset of collaboration. It appears that is not the direction at the time of this writing. Planning and decisions are being made with very little physician participation outside of hospital organizations with

paid physician board members. The strain can only increase as technology and clinical breakthroughs continue to move services into the outpatient settings and into different specialty groups. Patient convenience, decrease in costs of services provided in outpatient settings and patient safety is also driving more efficient means of providing quality health care.

The adoption of Electronic Health Records has increased in Memphis and is continuing in different medical practices. The pressure to adopt technology to build upon the electronic health infrastructure will continue to grow. The need for the sharing of medical data to improve health care and to challenge the various payers in showing information based on quality measurements and not transaction data will become more important. The current data being provided to patients and other buyers of health care services provides a faulty system of real decision making information to consumers and other purchasers of health care.

Current efforts by the American Medical Association and the Medical Group Management Association are under way to “educate” CMS by working with congressional committees and individual members of Congress. The educational process is to validate the flaws and to legislate change to the Sustainable Growth Rate (SGR). The process also seeks to find some type of relief in medical liability reform before the crisis becomes even greater.

This past year the collaboration and working relationship with the Memphis Medical Society and the Mid-South Medical Group Management Association has and continues to be valuable to the physician community. These two groups, lead by physicians and physician group administrators have provided education, affiliations and other opportunities for physicians. Physician driven organizations such as the Medical Society and the MSMGMA must continue to make sure patient and physician interests are kept foremost in both the planning and providing of health care.

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