

Study: Fist Bumps Are Less Germy Than Handshakes

Writing in *USA Today* (July 28, 2014), Kim Painter described a study reported in the *American Journal of Infection Control*, in which three greetings were systematically tested. A gloved hand was repeatedly dipped into a container of a not-too-dangerous strain of E. coli. Then the glove wearer shook hands with, fist-bumped, or high-fived another person's gloved hand. The handshakes transmitted 10 times more bacteria than fist bumps and twice the bacteria of high fives. David Whitworth, a senior lecturer in biochemistry at Aberystwyth University Ceredigion in the U.K., conducted the study with a colleague.



Google Glass Enters the Operating Room

According to an article by Anahad O'Connor in the *New York Times* (June 1, 2014), an increasing number of surgeons are using Google Glass, the wearable computer with a built-in camera and monitor, to stream videos of their surgeries online, display medical images, and conduct live video consultations. A study of 200 cases by Augmedix, a San Francisco Bay-area healthcare startup, found that just two or three patients requested their doctors to remove Google Glass, says Ian K. Shakil, a co-founder of Augmedix. However, concerns over privacy and the potential for distractions are compelling some healthcare providers to prohibit its use.

Race Is On to Profit from Rise of Urgent Care

Writing in the *New York Times* (July 9, 2014), Julie Creswell states that urgent care, or the walk-in clinic, once derided as "Doc in a Box" medicine, has turned into one of the fastest growing segments of healthcare in America. Sensing an opportunity, private equity investors have sunk \$2.3 billion into urgent care clinics. Urgent care is a low-margin, high-volume business, with most patients in and out in half an hour. Unlike a hospital, a walk-in clinic can turn away uninsured patients unless they pay up front, and most do not accept Medicaid.

Hospital-Employed Physicians Drive Up Costs, Say 16 States

The attorneys general of 16 states have testified that hospital employment of physicians is driving up healthcare costs without necessarily improving the quality of care, according to a September 2, 2014, article in *Medscape Medical News* by Robert Lowes. In a case in which the U.S. Federal Trade Commission argued on antitrust grounds against a merger between a health system in Boise, Idaho, and a nearby medical group, the attorneys general filed a brief stating that the effects of hospitals acquiring physician practices include: increased bargaining power with health insurers; higher hospital facility fees for physician services; and loss of referrals to rival hospitals. They also noted that higher prices charged by a dominant healthcare provider rarely motivate patients to seek less expensive providers, often because out-of-pocket expenses constitute "only a small fraction of their total healthcare costs."

Independent Physicians Beware, Tenet Might be Cleaning House

According to a September 3, 2014, article by Ayla Ellison in *Becker's Hospital Review*, Sierra Vista Regional Medical Center in San Luis Obispo, CA, was notified on May 27 that Tenet — the medical center's owner — was considering terminating its contracts with local medical groups providing anesthesiology, emergency department, and hospitalist care in favor of using a national provider at up to 11 hospitals. A week later the physicians were told the plan to terminate the contracts had been dropped, although they were not given any assurances their contracts would not be terminated later. In August, the Coalition for Quality Hospital Care was launched, with the aim of halting Tenet's action. Mark Reiter, MD, president of the American Academy of Emergency Medication, commented, "In these situations, the physicians will often face unfavorable contract terms, lower compensation, lower staffing levels, and a loss of independence."

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The Independent Physicians Association of Nassau/Suffolk Counties is "uniting" physicians to keep them independent, utilizing "clinical integration" while its members receive fair compensation.

PRESIDENT'S MESSAGE...

What are we fighting for?

Autonomy: *freedom from external control or independence.*

"They fell like dominoes"; "it was a turkey shoot"; "like fishing in a barrel."



This is how the hard-working, dedicated, selfless, undervalued physicians have been referred to by the payers for the past two decades.

The motives (including helping others in incredibly significant ways) of individuals who have chosen medicine as a career have been beaten into the ground by the forces of governmental agencies, insurance companies, and health systems. They have created an environment for independent medical practice that severely compromises satisfaction for physicians and patient alike.

The physician becomes more and more concerned about the hard realities of bounced salary checks, unpaid rent, and the like.

Payment reform is on the way. Value contracting, pay for performance, and shared risk are all on the horizon. Accountability is important, but if it is structured poorly it can create the very behavior that it is designed to prevent.

As physicians, we must focus on the meaning and impact of our patient care. We must use our collective energy, intelligence, resources, and determination to resist the influence and control being exerted upon us. We must design and implement "patient first" accountability systems. As independent physicians, we must unite to stay strong and provide the right Care at the right Place at the right Time.

Make no mistake, this will be a hard-fought battle, and losing is not an option. We and our patients will emerge victorious if we keep autonomy as the treasured goal!

John L. Franco
John L. Franco, MD
President

Annual Meeting of the Membership of the IPA of Nassau/Suffolk Counties

If you are a member of the Nassau/Suffolk IPA, or the office manager of a physician who is a member, you are cordially invited to attend our annual meeting.

When: Tuesday, September 30, 2014, from 5:30 to 9:00 p.m.
Where: The Watermill, 711 Smithtown Bypass, Smithtown



Come and learn about **Practice Management of America (PMA)**, a newly formed management services organization (MSO) that offers an exciting opportunity for members of the IPA of Nassau/Suffolk Counties

Buffet Dinner • Giveaways

Please r.s.v.p. by September 23, to ipasuffolkcounty@gmail.com. If you have not received an invitation in the mail, please call IPA administrator Frank DiMotta at 631-698-1900

In the News...

Organizations Can Help Docs Retain Their Independence

Many physicians are leaving independent practices and joining health systems as employees. Others, however, who wish to maintain their autonomy, are joining independent practice associations (IPAs). This is according to an article in the August 7, 2014, issue of *Medical Economics*. Advantages of IPAs include stronger negotiating power through an alliance with other physicians and data sharing thanks to technology they would not be able to afford independently. "IPAs are just one possible way to become more productive, free yourself from time-draining minutiae, and trim unnecessary costs to preserve your independence – without sacrificing your relationships with patients," according to the article.



Is the Hospital of the Future Not a Hospital at All, at Least Not as We Know It?

Writing on Microsoft's *HealthBlog* (July 7, 2014), Worldwide Health senior director Bill Crouse, MD, reported on the health industry consulting firm Triple Tree's assessment of how changes in reimbursement, alternate care sites, and rising consumer expectations

are "blurring the lines" of where and how care is being delivered. Triple Tree's *Viewpoint Report* gives many examples of how some of the most forward-thinking facilities are partnering with hotel chains and home health service companies to provide overnight accommodations and monitoring for patients needing post-surgical or post-procedural care. Oncology, urology, otolaryngology, gynecology, and gastroenterology may be next. And who wouldn't rather stay in a fancy hotel or even his or her own bedroom than a hospital room, which can be a breeding ground for infection?

Another Year of Pay Hikes for Non-Profit Hospital CEOs

Total base compensation grew an average of 24.2 percent from 2011 to 2012 for 147 hospital-system chief executives surveyed, according to *Modern Healthcare* magazine. Twenty-one of them, or 14.3 percent, got 50 percent increases. Among the executives on the list in the metropolitan area is Mount Sinai Health System's Dr. Kenneth Davis, whose base compensation increased 40.8 percent between 2011 to 2012. According to the article, the survey suggests that hospital-system CEOs receive increases in base compensation that are about four times greater than increases received by average workers, whose annual pay hikes have run about 2 percent in recent years.



Doctors Feel Pressure to Accept Risk-Based Reimbursement

"As insurers step up efforts to cover more lives with value- and performance-based contracts, physicians are under the gun to adapt to an altered reimbursement reality," according to Jacqueline Fellows, writing in *HealthLeaders Media* on July 24, 2014. Cigna covers one million healthcare consumers under its quality-and performance-based reimbursement model, called Collaborative Accountable Care (CAC), the carrier announced. And Cigna is not the only large insurer refining its reimbursement approach to accommodate a value-based healthcare system. Larger physician groups have the resources for this transition, according to a March study in the *Journal of Health Services*; smaller physician groups, however, are not ready or capable.

Practice Management of America

Practice Management of America, Inc. ("PMA") is a full healthcare management organization, ("MSO") that provides a broad array of services to medical practices. There are three service categories: Management Services, Patient Care Income and Contracting. PMA's goals are to reduce administrative burdens by providing management services; to provide income via expanded patient service opportunities; and to engage in at-risk / shared savings contracts.



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Optum Buys Local MSOs

The United HealthCare unit Optum has purchased the medical management operations of two large group practices, it was reported in *Crain's HealthPulse* on August 22, 2014. The practices are ProHealth Medical Management, the MSO of the ProHealth group practice based on Long Island, which was purchased in July, and WestMed Practice Partners, a multispecialty group based in Purchase, New York, on which it closed in May. Optum will likely purchase other major assets in the New York market, according to the article.

Obama Administration: Driving Provider Consolidation and Increased Costs

Writing in *Life Science Leader*, John McManus, president and founder of the McManus Group, states: "The increasing consolidation of healthcare providers has undeniable, deleterious consequences for consumers; yet what is the Obama Administration doing about it? Making things worse." A May 2014 Health Affairs Study found that when hospitals buy physician practices, the result is higher hospital prices and increased spending. For example, the average price of a colonoscopy in a hospital was \$1,383 compared to \$625 – less than half – in a community setting (e.g., an ambulatory surgery center).



The Risks of Hospital Mergers

In 1994, the state of Massachusetts let its two most prestigious and expensive hospitals, Massachusetts General and Brigham and Women's, both affiliated with Harvard, merge into a single system known as Partners HealthCare. That was a serious mistake, according to an editorial in the *New York Times* on July 7, 2014. Investigations by the state attorney general have discovered that the merger gave the hospitals leverage to drive up healthcare costs in the Boston area by "demanding high reimbursements from insurers that were unrelated to the quality or complexity of care delivered." Martha Coakley, the attorney general, is trying to forge an agreement with the hospitals that would slow the price increases and limit the number of practices they can purchase – for the time being. The lesson for other states is that they should examine hospital mergers very closely before they are approved, because they are very hard to undo.

\$40 an Hour...

That's the approximate cost of life (average increase in lifespan = 120 days) for Provenge, the designer vaccine for hormone-resistant prostate cancer. A one-time dose for a one-time cost of \$100,000. Medicare has been covering the cost, but many bioethical questions remain unanswered, and the debates will go on and on.



What about Revlimid for multiple myeloma at \$10,000 a month, or Gleevec for leukemia at \$4,000 a month, or Tarceva for pancreatic cancer at \$4,000 a month, or Avastin for metastatic breast cancer at \$8,000 a month? When is a drug considered cost-effective? The most widely quoted figure is \$50,000 for a year of life. However, it's been that for decades, and many cancer drugs are way over that mark.

Higher costs are generally more accepted for cancer treatment, but there's no rule on how much is too much. Then there is also the difficult price-justification issue. Insurers decide if they will pay, and they typically do pay if Medicare approves its use.

The new healthcare law will be a game changer. No preexisting illness denials, elimination of lifetime limits, etc. etc. The financial burden will be significant.

The difficult decisions in making recommendations for patients with cancer will reside with the provider. For now there is no "one size fits all" solution. Each case must be dealt with individually -- and therein lies the value of the doctor-Patient relationship:

Way more than \$40 an hour.