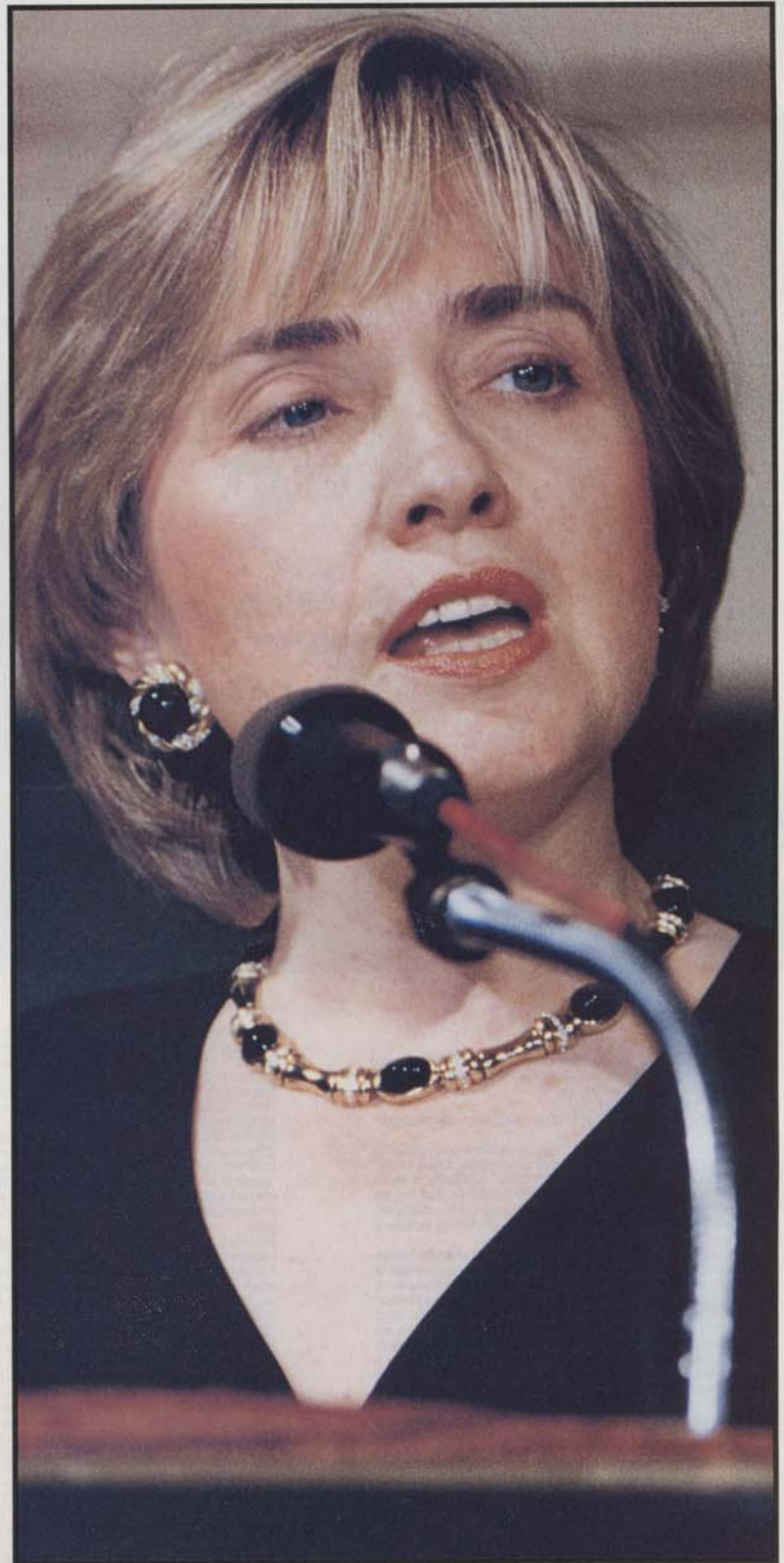


# Open Letter To Hillary Rodham Clinton

*A family physician  
states his case for a  
health care reform plan  
that reimburses primary  
care providers fairly.*



AP/WORLDWIDE PHOTOS

## Dear Mrs. Clinton:

I admire you for assuming a leadership role and trying to reform our health care system. You have no easy task. However, to be honest with you, I am very concerned.

I am a family physician in Michigan. I taught for 12½ years in a family practice residency training program until I burned out. I delivered 70 babies a year either on my own or in a supervisory role. It got so that every time the phone rang the kids would say, "Dad, it better not be an OB!" I went into private practice four years ago and stopped handling deliveries.

The grass always looks greener on the other side. I thought life would be much easier being my own boss. However, I have been overwhelmed by the astronomical costs of private medical practice. Even more disheartening are the pitifully low reimbursements paid by Medicaid and Medicare.

In addition to my private practice, I established a seminar business to teach office surgical procedures to primary care physicians. As I travel around the country presenting various seminars, I have the opportunity to listen to the concerns of many family physicians. They are depressed, discouraged and overwhelmed. They work two to three times as many hours as physicians in other specialties but get paid only half as much (family physicians always rank near the bottom of lists that compare average incomes of various medical specialties). They receive frequent nighttime calls that are devastating to their family and personal life. They practice in an uncertain atmosphere of liability and lack of trust that has led to defensive medicine, over-ordering and anxiety. Mrs. Clinton, this hellish type of life needs appropriate reimbursement if we expect to attract quality physicians and maintain quality care.

As you know, many physicians no longer accept Medicaid patients. I still do. When I opened my mail yesterday, however, I was once again disheartened to see what Medicare and Medicaid pay for some procedures. For inserting a Norplant contraceptive implant, I receive \$100 from Medicaid for the physician component. The procedure takes 45 minutes — 15 minutes for insertion and half an hour for counseling. My usual charge is \$200. Medicare paid me \$64 to do an anoscopy and flexible sigmoidoscopy. There is no way in the world that procedure can be done in less than half an hour.

If you look at the list of my fixed business expenses (see table on page 41), you will see that my overhead totals more than \$129 per hour. This does not include any salary, loan

John L. Pfenninger, MD

*Dr. Pfenninger practices in Midland, Mich. He is an associate clinical professor of family medicine at Michigan State University College of Human Medicine and president and director of The National Procedures Institute.*

repayments, retirement savings or vacation time for me! Medicaid and Medicare reimbursement generally equates to about \$120 per hour. Mrs. Clinton, if I take care of Medicaid and Medicare patients, how am I to survive?

Actually, for a Medicaid patient who shows up in my office, I can almost break even. But many do not keep their appointments, so I lose more money than the figures in the last paragraph would suggest. Because of my beliefs, I continue to accept Medicaid, but I can certainly see why a lot of physicians refuse. As I travel around the country, I see that many physicians are truly unable to care for Medicaid patients, and many are now refusing to accept Medicare. You cannot squeeze blood from a turnip.

Much of the overhead of caring for these patients has been covered by private insurers through cost-shifting. Private insurers such as Metropolitan, Aetna, etc., have paid more than their fair share. They are no longer going to do this. The government no longer has the luxury of having private insurers cover the costs of taking care of the indigent.

The most frequently lethal diseases in Michigan — chronic obstructive pulmonary disease, stroke, heart attack, colon cancer, breast cancer, cervical cancer, lung cancer and cirrhosis of the liver — are basically caused by patient lifestyles. (Yes, cervical cancer is caused by the sexually transmitted human papillomavirus, which makes it a lifestyle disease.) In addition, the care of AIDS patients requires an enormous amount of federal spending. So why is the president punishing physicians who take care of people who are ill because of smoking, drinking, poor diet and risky sexual habits? It is the ultimate paradox that our government subsidizes the tobacco industry and at the same time pays so much in health care costs.

Just as I was against former President Bush's criticism of homosexuals and women who support abortion rights, I very much dislike President Clinton's criticism of hospitals and doctors as being paid too

much. I know it is not politically smart to challenge people to change their ways, but *that is the way to lower health care costs*. Prevention must start with patient responsibility for better health habits.

Why doesn't the president commend physicians for providing all the free health care they provide? In my office, 40 percent of what I charge is written off because of bad debt or insufficient reimbursement by Medicaid, Medicare or Michigan Blue Cross and Blue Shield. Does the government ever send me a thank-you card? Try to buy a new General Motors car and tell the dealer you're only going to pay 60 percent of the asking price!

Mrs. Clinton, the president wants to support "the working man" who goes to work at 8 in the morning and comes home at 4 p.m. I see these men retiring from Dow Chemical and General Motors at 53, 54 and 55 years of age because they've "put their 30 years in." They have paid vacations, pension plans, profit sharing, health insurance and life insurance. I would love to have the hours the working man has and retire with his benefits. How am I to retire at all with the government paying me \$120 an hour when my fixed overhead is \$129.48 an hour before there is anything for me? The only way I can do it is to work an enormous number of hours. I average between 60 and 70 hours per week. I do not have paid holidays off. I have worked Christmas, Thanksgiving, Easter, Mother's Day and Father's Day for many years without premium pay schedules. I am not complaining — I love what I am doing now. But a lot of physicians out there are getting out of primary care and out of medicine because of the current reimbursement policies.

If you really think the government can do anything less expensively than the private sector, take another look at history. I certainly have my doubts. You can put all physicians on a limited government salary, but you will need to double the number of physicians to carry out the work now being done by private practitioners. Remember, physicians on the government payroll will only work 2,000 hours a year, and you will have to give them paid holidays, paid vacations, retirement funds and more.

Have you ever seen the books from Medicare and Medicaid on the exceptions to the "uniform billing and coding policies?" They're 8 to 10 inches thick! Want

*"If I take care of Medicaid and Medicare patients, how am I to survive?"*

*"Prevention must start with patient responsibility for better health habits."*

to cut costs? Let me eliminate some of my billing costs by getting the government to follow what all the insurance companies have agreed to. It only makes sense!

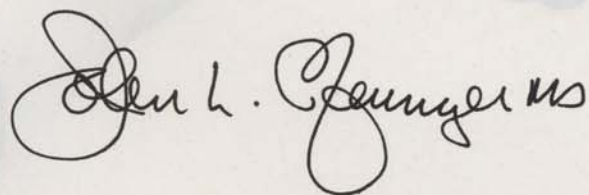
You may notice I haven't mentioned liability costs. Can we even consider lowering liability costs when lawyers are allowed to run the show?

I strongly believe we can greatly reduce the costs of medical care if we perform many medical and surgical procedures in the office instead of a hospital operating room or even a surgicenter. For example, it makes no sense to me that many physicians do vasectomies in the hospital. This increases the cost by at least three to four times. Likewise, there are now methods to do cervical conizations in an office setting. Why do they continue to be performed in the hospital under general anesthesia? Why are most breast biopsies done in the hospital when a needle biopsy or even an open biopsy can be done in the office? Our office charge for flexible sigmoidoscopy is \$217. Patients are charged more than \$1,000 when the same procedure is done in the procedures lab of a nearby hospital. Why is the excessive fee paid by insurance companies? I think your plan for health care reform should encourage physicians to do procedures in the office with ample compensation; this could significantly reduce health care costs without compromising quality of care.

I encourage you to look at the real cause of the high costs of medicine — patients' poor health habits, an aging population and government programs. We're a free economy! Remove the fiscal intermediaries, and I'll be able to reduce my fees by 30 percent. Give patients the responsibility and, assuredly, they will find the cheapest *and* the best health care.

Thank you for the time and effort you are devoting to this escalating problem in our country. Best of luck!

Sincerely,



## Hourly overhead costs

	Dollars per hour
Wages, full-time employees	32.00
Medical and office supplies	19.12
Rent	12.35
Social Security	8.00
Malpractice insurance	7.50
Telephone service and Yellow Pages ads	7.10
Wages, part-time employees	7.00
Billing services	4.96
Health insurance and other employee benefits	4.80
Accounting and legal services	3.47
Advertising	3.01
Typing costs	2.40
Mandated CME	2.00
Small business and personal property taxes	1.82
Interest on loans	1.73
Disability insurance	1.60
Contributions	1.44
Life insurance	1.40
Heating and electric	1.20
Added costs from CLIA and OSHA regulations	1.00
Equipment rental	1.00
Licenses, subscriptions, memberships	1.00
Miscellaneous	1.00
Office cleaning	1.00
Postage	.68
Worker's Compensation	.50
Repairs and maintenance	.40
<b>TOTAL COSTS</b>	<b>\$129.48</b>

*Figures represent actual 1992 costs distributed over a 2,000-hour work year. Total hourly cost does not reflect an additional \$6.21 per hour in repayments for start-up and equipment loans.*