



New York County Medical Society

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TESTIMONY BY THE
NEW YORK COUNTY MEDICAL SOCIETY
BEFORE A PUBLIC HEARING HELD BY
GOVERNOR ELIOT SPITZER
TUESDAY, OCTOBER 30, 2007

Good morning. I am Dr. Zebulon Taintor, and I am immediate past president of The New York County Medical Society. I am also a practicing psychiatrist in New York City.

We in the New York County Medical Society are delighted that the task force is under way and grateful for your interest. We look forward to being grateful for your accomplishments. We recognize that every group that has a role in health care has a role in health care reform.

Dr. Lewin has told you of the trying daily experiences that get in the way of practicing medicine. Her feelings are validated by a recent survey that showed that more than half of physicians aged 55-65 are frustrated with their practices and plan to sharply cut back or abandon patient care within the next three years. But I am here to suggest what we can do together.

First, we can do something about costs. One reason cited for health care reform not progressing is that so many people earn good livings from it. We can't go up from the 16% of the Gross Domestic Product that healthcare costs represent, and we don't have to. So we'll all have to give something up to control costs.

One way to control costs: We can all give up being complicated. As Commissioner Daines pointed out, there are 22 public programs with different eligibility and coverage. Medicare regulations now total more than 148,000 pages. The Wall Street Journal reported that the arms race over the denial of claims by insurance companies costs \$20 billion a year before a cent is paid for medical care. Physicians have less time to learn and practice medicine: The average physician office spends six hours a week on the telephone with insurance payers. No other country has managed to make the process of health care so lugubrious and complicated.

A lot of policies and programs have been piled on to make the whole system and its insurance so complex that there is a new industry of insurance bounty hunters. Physicians give up on getting paid and leave it to patients; patients hire bounty hunters who go for whatever they can get, keeping 10% as their commission. Simplification doesn't mean single payer, it just means understandability.

Second, we can all work against fraud, saving maybe 10-15%. We applaud the Attorney General's recent efforts against fraud, and we are glad that the forge-proof prescription blanks instituted by the state health department, working with the Medical Society of the State of New York, are reported to have saved any millions in the Medicaid program. We'll help to fight fraud however we can.

Third, insurance companies can give up the conflict of interest between profits and paying for care. The state medical society's House of Delegates passed a resolution to seek legislation that would bar for-profit health insurance operations in New York State, noting that payers who formerly kept 14 cents of every dollar that passed through their hands, have now worked up to keeping 22 cents! We may be divided on single payer, but we all agree that the billions going for salaries at for-profit insurance companies would be better spent on actual health care. We note that, with some exceptions, not-for-profit companies, especially those controlled by physicians, are rated better by our patients and peers. And one additional point about insurance companies: those that insist on electronic claims submission could provide prompt, clear feedback in return, rather than mailing back incomprehensible paper explanations of benefits months later--a process that feeds our rising problem of medical identity theft.

Fourth, the pharmaceutical industry could advertise less (especially negative ads that cost us physicians time spent on reassuring our patients), and research more. Prices on drugs that are already in the market should be going down, not up. A man keeping a warehouse full of medications for a year was able to spend a piece of his profit, \$45 million, on a nice house in the Hamptons. There's no point in adding costs with games on generics like "new" drugs that aren't really new, or setting up subsidiaries to make pricey generics.

Fifth, the legal profession could do better on two key qualities that define a profession: prevention and putting the interests of those served ahead of one's self.

Instead of prevention we get more complication, more lawsuits. Even though every indicator of health care quality shows improvement and there are constant testimonies to "the best medical care," we have just had the largest increase in medical malpractice insurance premiums in recent history. We all want to see compensation for those who suffer from unfortunate outcomes of medical care, but New York State's medical liability system doesn't actually get to most of those people. States that have capped pain and suffering have saved 2-3% of their medical costs. We all favor prevention and recognize that mammography is an effective tool against breast cancer, yet mammography torts are our most frequent torts. We pine to work with the legal profession on various solutions.

Sixth, the state government could stop allowing for-profit insurance. The cost of health care is potentially infinite, as everyone would like to live forever. - there is no room for profit. The state government could stop accepting what really amounts to bribes for for-profit conversions--a short-term gain that results in long-term grief. We are glad that insurance rate increases are now less automatic than they used to be, and we look forward to seeing insurers get the same scrutiny that malpractice gets. We welcome the malpractice reform task force. We are willing to accept responsibility for ordering services, rather than seeing costs go up with mandates for nonphysician services.

Seventh: Who's last and maybe least? Doctors or patients? Probably both, but patients go first. Patients' satisfaction with their own insurance, while waning, is seen as an obstacle to reform. We're all patients at one time or another. We need to care

for our fellow citizens, the uninsured and the underinsured. Physicians are willing to give up their own privacy (but not their patients=) to accept some scrutiny for quality and efficiency. We went after good grades in school, and we appreciate meaningful feedback. We work to develop guidelines and follow them. We are working to use health information technology. We want to detect and avoid over-utilization.

What else can be given up? Physicians can give up medical practice itself. As you know, many of our colleagues have actually given up practice. Or, the physician can give up pieces of practice; for example, the physician can give up obstetrics but not gynecology. Maybe the physician can give up living in New York: the largest group of physicians who are now applying for licenses in Texas is from our state. More physicians are trained in New York State than any other - let=s work together to keep them.

And we=re quite willing to give up being turned into providers, but not willing to give up professional ideals.