

November 12, 2007

I am a pediatrician from Dansville, New York with a second office in Geneseo, New York. Additionally, I spent two years training in the U.S. Public Health Services (NHSC) learning family medicine so I also have an adult medical practice in my Dansville office. I have been in practice for most of the last 35 years. My father was a surgeon and his office was in our home starting in 1946. My childhood dream came true. Sixty years later, I live in the same house and practice in the same office where my father worked. In those 60 years, I have seen the American medical profession from the inside.

This should be the happiest and most productive time in my career. But something is terribly wrong. When my father was working, some people paid cash, some could not pay, some brought tomatoes or eggs and some had insurance. My Dad made a good living in any case. Today, the insurance (HMO) industry and government are in charge of every aspect of what happens at my office. It does not matter what I want to charge for my work. The HMO pays what they will pay and that is it. Everything about the day to day operation of the doctor's office is about money and it is all controlled by the HMOs. If I care to prescribe any medication beyond over-the-counter or cheap generic drugs, the HMO requires prior authorization; may also limit quantity; or they may require trying another drug first. If I wish to do any kind of testing or imaging; prior authorization. Any kind of referral to a specialist; prior authorization. Hospitalization? They have learned not to block hospitalization at the emergency room admission point, but they carefully review everything later and decide what they will or will not pay for and they cut the doctor and the hospital out of payment starting the next morning.

This is the United States of America and this is the best country in the world, and our economic system is based on capitalism and free enterprise, and that is all good. But the insurance industry operates from a corporate competitive point of view where those who get and keep the money survive and that is all that matters. But the provision of healthcare is not a free enterprise market system. Excellus and Preferred Care are given licenses to operate in New York State and comprise a price-fixing monopoly where the prices they get are fixed high – high premiums that go up 10% per year and no one in the private sector or government has the will or the power to stop that. The money that they pay out to providers is low: the money paid to doctors, hospitals, pharmacies and service providers. They pay what they pay and that is all they will pay. Take it or leave it. There is no negotiation and again, no one has the power or will to change that.

They take forever to pay and when they wish they require that you submit amended bills or more documentation. Workers' Compensation insurance carriers and motor vehicle insurance carriers simply view the patient and the doctor as the enemy, refuse to answer the phone, mail you a denial and offer to meet you in court. Those particular insurance carriers often send the patient for an "independent medical examination", a transparent, phony exercise in which a very well-paid person or company with a medical license takes the money that should be spent on care for injured patients, to say that they are not disabled and deserve no support from the insurance carrier. This leaves a patient and a doctor to go to court in a system that is expensive, time-consuming and unsympathetic. Money is the only thing that matters. In the frenzy to capture the medical dollar, pediatricians caring for babies and children, and family physician focused on

diagnosis, prevention and treatment is no match for major corporations and experienced businessmen whose only concern is to make a profit.

Consequently, after 35 years of patient care in pediatrics and family medicine, I am the lowest paid person in the entire health care profession. After I pay the mortgage, the utilities, the homeowner's, liability and malpractice insurances, the taxes, the payroll, the phone and computer expenses and the supplies at the offices, there is nothing left. Nothing. And no one seems to know or care. There is no one anywhere fighting to improve my lot except the AMA and the state and county medical societies, and they are ineffective at the government level where they are outspent by the other special interests in our corrupt campaign contribution and lobbying system.

Let me describe a day at my office. If a family I take care of has 2 children with cough, fever, and sore throat, I may see them or I may not. The mandated co-payment for an office visit is so high that parents have learned to think twice before coming to see me. If they come in and I do a strep test, there is a co-payment for that as well. If I write a cheap generic prescription there will be a co-payment for each child. If there is an ear or bronchial infection and I ask for a re-check visit, the family will hesitate due to the co-payments. If I try to refer a child for blood work or an x-ray, there is a co-payment. If the child is ill with abdominal pain or a head injury and we need a CT scan or referral to a specialist, there is requirement for prior authorization which, in effect, prevents one from ordering any of these tests in an urgent situation. If I try to refer the patient a specialist, I have to wait for prior authorization which is often denied. I am reduced in any urgent situation to refer the patient to the emergency room. When I call the Strong or Noyes Hospital ED, I am often encouraged not to send any patients there because it is so crowded. (Code Red). There are not enough hospital emergency rooms in Rochester and the surrounding area.

If I try to refer a patient to a specialist, the specialist's office often requires a prior review of the case before they will give us an appointment, often months away, because they are short-handed due to poor reimbursement by the insurance carriers. I've only described a third of the problem. We deal with 5 or 6 main insurance carriers and everyone has its own special policy for every lab test, every medication and every specialist referral and these rules change every few weeks. No one could begin to remember which insurance company allows what. So we constantly are embarrassed and delayed by calls back from patients and specialists and pharmacies that what we tried to do was denied. Consequently, in each of my 2 offices, I hire and pay, at my expense, a full time nurse who spends all day calling insurance carriers for prior authorization and approvals and clarification, and fighting out forms and faxing documentation and fighting with the insurance carriers who do not answer the phone, but put you on hold and do not call you back.

I have spent 35 years learning how to diagnose and treat sick and injured patients. The insurance carriers pay a secretary to deny my requests for testing and treatment. The fact is that there is not one person at any of these insurance companies with my experience or skill when it comes to taking care of sick patients. The new policy of Excellus to pre-approve every diagnostic radiology test except a simple x-ray (CT, MRI, nuclear scan) will have the effect of forcing any child that needs this testing to be sent to overcrowded emergency rooms at much higher cost to the family and the insurance carrier.

I have tried for years to recruit a new physician to join my practice in Dansville and Geneseo with a hospital salary guarantee backed by Noyes Hospital. I have not had any luck. The private practice of medicine in a rural community in upstate New York is hard enough, providing care in the office and ED and hospital 7 days and nights per week. And paying all the expenses to run a business with a reimbursement for medical physician care offered locally by the insurance carriers is next to impossible. We have a growing crisis with a shortage of primary care and specialist physicians in the city and in the country. No young physician with a bright future wants to come here and who can blame them? This is certainly not what I set out to do when I went into the medical profession.

I fully understand that the increased availability of expensive tests and expensive drugs means that every physician can not order a PET scan or an expensive prescription for every patient. Quality medical care means taking good care of the patient and certainly today this has to involve reasonable and economical use of the available resources. However, the word “quality” has been taken over by the insurance industry as a code word for aggressive cost-cutting. “Quality” has come to represent anything free, over-the-counter, and cheap, or requiring no expense by the insurance company, the dark side of our profession.

This week I hospitalized a baby aged 6 months with fever, vomiting, diarrhea, and body rash over 5 days, who had a choking spell with aspiration of fluid into the lungs followed by sudden onset of wheezing and respiratory distress over 12 hours. She was treated with a mist tent, oxygen, nebulized bronchodilator and corticosteroid, antibiotic, an oral fluid and electrolyte solution. After 12 hours, I was approached by the Utilizations & Discharge Coordinator and informed that the condition had stabilized so rapidly and completely that the hospitalization would not be paid for based on her telephone conversation with a secretary at the HMO office. I was informed that the baby had to be discharged because the hospital would not be paid. I had not received the chest x-ray report from the radiologist yet. When he read the x-ray, he said it was abnormal. I discharged the baby to the care of her mother who is mildly developmentally disabled.

The insurance carriers are on a roll. In the name of quality, they withhold a significant portion of the money the doctors earn from seeing patients. Everything we do now goes into a giant computer file which is updated daily on every doctor. Every time we order an expensive test or an expensive prescription, or refer a patient to a specialist, we earn negative points toward our “quality” rating. At the end of the quarter or the end of the year, we are then penalized for practicing poor “quality” medical care. These “quality” ratings are passed back and forth between the HMOs and are about to be made public. Doctors who specialize in caring for complicated patients and complicated conditions are penalized the most.

If you look at any newspaper today, you will see expensive, full-page ads from your local health insurance company offering \$500 or \$600 cash back to young healthy adults if they buy a policy. My question is: If you pay a lot of money every month for something of questionable value, and get a big cash handout for making the deal, then what is the difference between buying health insurance and buying a used car? This answer is – NOT MUCH! And that is the problem. The health insurance industry is the same as the used car industry with salesmen who charge what the

traffic will bear, without the restraint of conscience or interference from government. And every doctor's office is forced to participate in this insanity all day, every day. Enough is enough!

Thank you,

David H. Breen, M.D.