



## What the new Health Care Reform Legislation will mean to Physicians

- 1. Increased demand for physicians.** With 32 million more Americans expected to enter the health insurance market, demand should rise, especially for primary care physicians, the *Philadelphia Inquirer* reported. This occurred when Massachusetts passed its statewide universal health care in 2006. However, the expansion in coverage will not happen for a few years, until 2014.
- 2. No permanent fee fix.** The reform legislation does not permanently repeal the Medicare sustainable growth rate formula, which is again set to trigger a 21.2 percent pay cut for physicians at the end of the month. "It's really unclear what pathway the House is considering to change the situation," Robert Bennett, a government affairs representative for the Medical Group Management Association told *HealthLeaders* this week. "Now we are looking toward the April deadline, and then Congress will have a recess, and they are really running out of days."
- 3. New independent panel setting reimbursement rates.** The new Independent Payment Advisory Board "could unilaterally reduce Medicare payments without any public input," said James Goodyear, MD, president of the Pennsylvania Medical Society in the Carlisle (Pa.) *Sentinel*. "The current IPAB framework could result in misguided payment cuts that undermine access to care and destabilize healthcare delivery," added AMA President J. James Rohack, MD, in a release.
- 4. More bureaucracy.** "The health system reform bill creates more government bureaucracy" and "installs mandates too numerous to list," Dr. Goodyear told the *Sentinel*. "We see no reduction in administrative burdens for physicians and no reform in the way healthcare services are paid under the Medicare program," added Joseph Reichman, MD, president of the Medical Society of New Jersey, in the *Philadelphia Business Journal*.
- 5. No tort reform.** "The legislation does not include any medical malpractice reforms that would lower physician costs and prevent defensive medicine practices," Dr. Reichman told the *Philadelphia Business Journal*. Without tort reform, physicians "are forced to practice more defensive medicine than is necessary," the Pennsylvania Association of Health Underwriters told the *Philadelphia Business Journal*. The AMA and other organizations would like a cap on non-economic damages, but all the bill offers is \$50 million in grants to states to explore alternative means of resolving medical liability claims.

6. **Elimination of new physician-owned hospitals.** The bill would prevent any new physician-owned hospitals from opening after the end of the year and, except for a very limited exception involving physician-owned hospitals with a high Medicaid patient population, prevent existing hospitals from growing. The provisions "virtually destroy many of the hospitals that are currently under development, and leave little room for the future growth of the industry," said Molly Sandvig, executive director of Physician Hospitals of America. "It shouldn't make a difference who owns the hospital," Dr. Rohack told Medscape.
  
7. **Heavy reliance on Medicaid.** "The expansion of the Medicaid program, while laudable, is problematic," Dr. Reichman told the *Philadelphia Business Journal*. "The payments in New Jersey's Medicaid program are among the lowest in the country, resulting in a majority of our physicians opting out of it altogether."