Healthcare “Reform” -- A Potential Crisis For Practitioners!

Article submitted by:
Robert A. Ganz, MD, FASGE
Minnesota Gastroenterology, PA
Chief of Gastroenterology, Abbott-Northwestern Hospital
Associate Professor of Medicine, University of Minnesota

Prepare for the future — diversify your practice by adding therapeutic procedures to your repertoire and provide more comprehensive care to your existing patients, attract new patients, and benefit your practice!

The advent of healthcare reform will bring many changes to the delivery of medicine in the US. The current bills pending in the US House of Representatives and Senate mandate expanded insurance coverage, by requiring the vast majority of Americans to either carry health insurance or pay a tax penalty. The mandates extend to both employers and individuals working for companies too small to offer insurance. For the latter, the pending legislation calls for new insurance exchanges for individuals or small groups so that they can purchase insurance at big group rates. In addition, the pending bills prevent insurers from denying health coverage, or charging higher premiums, for pre-existing conditions, and limit age-rating in policies as well. These initiatives are funded by a bevy of new taxes, including taxes on the wealthy via an increase of 0.5% in the Medicare payroll tax for those earning over $250,000, new taxes on medical device companies, and taxes on "Cadillac" health plans, i.e. those costing over $25,000. In addition, both bills currently call for a "public option" health plan to compete with private insurance companies, and greatly curtail HSA and HRA products and flex spending plans.

The public option would also be sold on insurance exchanges to the uninsured, individuals who cannot afford insurance, those at 133% of poverty level, or work for small companies that don't offer insurance. The cost of the public plan would be split evenly between the Federal government and individual States. Thus one could choose from a menu of private plans vs. a cheaper public plan.

Neither the House nor the Senate bills address the “doctor fix” which would reverse a planned 20%+ reduction in physicians’ fees, and the CMS has plans already in place to eliminate the “consultation” codes from their books. The recent ruling of the “U.S. Preventative Services Task Force,” pertaining to the timing and appropriateness of screening mammograms certainly raises questions as to future rulings by such bodies which may limit access to and reimbursement for other screening studies such as colonoscopy.

These plans for healthcare reform will greatly impact specialty practices. Physician fees for the public plan option will either be mandated Medicare or Medicaid rates or if negotiated, will be based on local Federal or State rates plus 5 or 10%. Thus as patients are shifted from private plans into the public plan the payment case rate will be adversely impacted. Moreover, primary care groups will likely see a payment care bonus of approximately 10% at the expense of specialists, due to the favorable treatment of "medical homes." In addition the current legislation calls for pilot demonstration projects of bundled episodes of care, and the formation of accountable care organizations (ACOs) which in essence are soft capitation models. These models may drive the formation of large integrated practices, and make it harder for smaller specialty practices to compete. In addition the Senate bill calls for the creation of a new Medicare Commission whose mandate will be to look at high value codes and whose recommendations would stand unless overturned by Congress. New CMS regulations also call for cuts in

ASC payments to 52% of the current hospital rates.

One of the ways to mitigate these changes in healthcare delivery, and the reduction in payment rates, is for GI practices to diversify their income stream by adding procedures to their repertoires, creating subspecialty centers of excellence, particularly those that can be performed in the office in an outpatient setting. In this regard, subspecialty niches can be created in areas such as esophageal disease, IBD, hepatology and hemorrhoid care. The CRH O'Regan System is a perfect example of a safe and highly effective hemorrhoid treatment program that can readily be integrated into existing practices to provide an additional patient and revenue stream.

The CRH technology will supplant other less effective hemorrhoid therapies and allow gastroenterologists to treat ano-rectal pathology in a comfortable and accessible setting, and the training program developed by CRH will allow for a safe, easy and effective integration of these techniques into your practice. By incorporating technology such as the CRH O'Regan System and other new developments in the field, gastroenterologists will be better able to adapt to the coming healthcare changes.