

# Philadelphia Medicine



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## PA high court overturns ruling on malpractice fund

Pennsylvania's highest court handed the Corbett administration a major victory on Wednesday in a dispute over a medical-malpractice insurance program, overturning a lower court ruling that would have widened the state budget gap.

The state Supreme Court's unanimous order reversed a 2010 Commonwealth Court decision that ordered lawmakers to transfer hundreds of millions of dollars out of its general fund to resolve lawsuits filed on behalf of the state's doctors and hospitals.

Gov. Tom Corbett hailed the ruling through his spokesman, Kevin Harley.

"Given the current economic condition of the state, we're pleased," Harley said.

**The ruling involves the MCare program, which is financed by assessments on healthcare providers and covers damages exceeding their own basic medical-malpractice coverage.**

The ruling involves the MCare program, which is financed by assessments on healthcare providers and covers damages exceeding their own basic medical-malpractice coverage. Lawmakers created MCare in 2002 in response to concerns that high malpractice insurance rates were driving physicians from Pennsylvania.

In 2003, the state moved to help doctors cope with soaring premiums by giving them full or partial abatements on their MCare payments. Also that year, lawmakers created a special fund containing tax revenue, including a cigarette-tax increase, to help offset the cost of the abatements.

Not all the money was needed, however, and \$708 million was transferred to help balance the state budget in 2009 during the Rendell administration.

Of \$946 million in abatements granted from 2003 to 2007, the special fund paid only \$330 million, according to court papers. After 2005, reform measures approved by the Legislature and judiciary helped reduce the number of MCare claims, the court said.

The Pennsylvania Medical Society and the Pennsylvania Hospital and Healthsystem Association argued that the full cost of the abatements should have been funneled into MCare to reduce future costs to providers.

But Justice Max Baer wrote in the court's 30-page opinion that the law does not require the state budget secretary to transfer any funds but merely grants the secretary discretionary authority to do so.

Justice Debra Todd said in a concurring opinion that the two provider groups lacked legal standing to sue, since their members were not negatively affected by the state's actions.

"In my view, the Commonwealth Court's order could be reversed on the basis of standing alone," Todd wrote.

A medical society spokesman said leaders of the organization were disappointed but that no appeal is possible.

The court has yet to rule on a companion case involving the transfer of \$100 million in MCare funds to the state general fund, said Robert Pratter, a Philadelphia lawyer who represented the state in both cases.

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## PCMS NEWS

### All PCMS Members

"Change, Challenge & Opportunity — The 2012 Tools for Success Medical Practice Management Conference"

Thursday, April 19, 2012, 7:45 AM - 4:00 PM

Location: The Villanova Conference Center

For information, please phone 610-892-7750

## SAVE THE DATE!

Saturday, June 9, 2012

PCMS President's Installation and Awards Night

Celebrating the Inauguration of

Harvey B. Lefton, MD

151st President

The Philadelphia County Medical Society

To be held at The Rittenhouse Hotel

210 West Rittenhouse Square

Philadelphia, PA

All events are posted on the PCMS website.

These include CME programs and seminars from outside sources.

If you would like to post your event on the website, call 215-563-5343, Ext. 102

## Physicians should take advantage of ICD-10 delay

HHS has announced its intent to delay the ICD-10 deadline, which originally was October 2013. There is speculation that a one- or two-year delay is possible.

The HHS announcement leaves many physician practices wondering if they should continue to prepare for the transition, revise plans based on speculation about a new timeline, or completely put everything on hold? PCMS recommends that physicians continue to prepare for ICD-10.

Members can find a variety of resources at [www.pamedsoc.org/ICD10](http://www.pamedsoc.org/ICD10) to help your practice with the transition.

# Philadelphia Medicine



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## Editorial

### Trust and compassion mean more to patients than logos and slogans

By Lynn Lucas-Fehm, MD, JD



Health systems across the nation are competing for patients, attempting to position themselves as the destination point for quality medical care. In this endeavor, it has become common place for hospitals, medical groups and even individual doctors to "brand" their institutions and practices with logos and slogans displayed on everything from billboards and bus signage to television ads in primetime. The goal is to produce a compelling tagline and image that symbolizes the services or philosophy of their healthcare system.

One question to consider is for all of the money spent on cutting edge web designs, advertising firms and air time, does branding really influence a patient's selection of a healthcare provider. Second and perhaps more important is should it play an integral role in a patient's decision making process?

The answer to the first question has to be yes since the only way not to be exposed and at least partially influenced by the endless barrage of ads on TV and in print would be to live in a cave.

However, there is no definitive answer to the second question particularly when what doctors perceive as value is often quite different from what the public wants and what health systems advertise.

Doctors are likely to think of value in terms of clinical quality (skill level, training, and peer reputation) in affiliation with a health system that provides state of the art equipment and technology. But the public (the buyer) often values service (access, amenities, ease of scheduling). Since effective branding is targeted at the buyer, what we as physicians want to promote may not be what needs to be sold from a marketing/business point of view by the health systems.

There has been considerable research on this topic. One article written by Dana Goldman (RAND Chair in Health Economics and Adjunct Professor of Health Services Radiology at UCLA) and John Romley (Associate Economist at

RAND) emphasizes the importance of "amenities" to patients.

The article entitled "What Can We Learn About Hospitals from the Revealed Preferences of Patients?" noted that in choosing their hospital, patients are concerned with both quality of care and such amenities as comfortable rooms. The authors also went on to stress the need for assessment of the value of amenities in relation to other hospital benefits if a hospital wishes to successfully compete.

Given the results of this research it is not a surprise that the health care branding field has grown significantly in the past decade along with programs to assure patient/customer satisfaction. In fact, even Disney has gotten involved.

In the July 22, 2011 issue of *Physicians News Digest* the article "Hospitals Look for Disney Magic to Make Customers Happy" reported on Disney's expansion into the health consulting field. Fred Lee, a former Disney health consultant and hospital administrator (author of the 2005 book *If Disney Ran Your Hospital*), noted that Disney was "shrewdly capitalizing on the fear and concerns of hospital executives who may lose millions of dollars if their patient satisfaction scores are not at the top of the pack."

There is little doubt that many patients make choices at least in part on the basis of advertising and some of the marketing might be targeted more at amenities than medical treatment.

However, if we are to care for our patients to the best of our ability, we must address all aspects of patient care, and the patient's preferences play a part. The difficult task is to make sure advertising is not taken to an extreme where the doctor patient relationship and sound medical judgment get lost in a media campaign.

As usual, it comes down to each one of us. I still speak with many patients who tell me that what brings them back year after year to the same hospital and doctor is the compassion, trust and genuine caring that mean a lot more than any logo or slogan.

*Dr. Lucas-Fehm is the President of PCMS*

## New AMA how-to manual on emerging physician payment models

Continuing its commitment to provide physicians with expert resources on emerging payment models, the American Medical Association (AMA) has released a new how-to manual to help physicians evaluate, negotiate, and manage budget-based payment systems that are becoming alternatives to the predominant fee-for-service model for reimbursing physicians.

Typical budget-based payment systems include payment bundling, pay-for-performance, withholds and risk pools, capitation and shared savings.

*Evaluating and Negotiating Emerging Payment Options* comprehensively analyzes budget-based payment systems and provides essential information and practical tools that can help physicians:

- Understand the differences between fee-for-service and the budget-based payment systems;
- Master concepts associated with budget-based systems, including actuarial soundness, risk adjustment and risk mitigation;
- Estimate, monitor and manage the financial risks and rewards of a budget-based payment system.

*Evaluating and Negotiating Emerging Payment Options* is available free to all physicians on the AMA's newly updated Practice Management Center website: [www.ama-assn.org/amal/pub/physician-resources/practice-management-center](http://www.ama-assn.org/amal/pub/physician-resources/practice-management-center).

## Proposed PHC4 and PSA consolidation into Department of Health causes concern

At a recent Senate budget hearing with the Pennsylvania Department of Health (DOH), many senators voiced their concerns over the proposed consolidation of the Pennsylvania Health Care Cost Containment Council (PHC4) and the Patient Safety Authority (PSA) into DOH, which is part of Gov. Tom Corbett's proposed 2012-2013 state budget.

Some of the concerns raised by the Senate over the consolidation of PHC4 and PSA include:

- Ensuring independence of the agencies—DOH has been in communication with both agencies and acknowledged that many issues need to be addressed before the consolidation could occur. The department's goals are for the three agencies to work better on data sharing and decision making.
- Tobacco settlement fund diversion and current projects—DOH assured concerned lawmakers that the diversion of tobacco settlement dollars will not impact current projects.
- Ensuring fairness of hospital inspections—DOH said they are aware of

problems with hospital inspectors and are working toward a solution that includes surveying hospitals consistently and more uniformly.

- Stopping the trafficking of synthetic cocaine — Despite the recent law banning synthetic cocaine, drug traffickers continue to alter the formula and sell the drugs. DOH said they will work with the legislature and the Drug Licensing Cosmetic Control Board to find a solution.

As a long-time advocate for both PHC4 and PSA, the Pennsylvania Medical Society (PAMED) is not opposed to restructuring to achieve cost savings as long as the integrity and independence of both agencies can be assured. Maintaining this integrity and independence will be a high priority for PAMED as the budget process moves forward.

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## PennDOT requires physicians to report unsafe drivers

PennDOT (Pennsylvania Department of Transportation) requires physicians to report their patients to the Bureau of Licensing when they are placed on medication that could impair their driving ability.

According to PennDOT, physicians only need to report patients if they have a mental disorder or a condition, such as seizures or diabetes, that, if left uncontrolled, could cause impairment to driving.

PennDOT requires physicians to report any of their patients that are not taking medication to control these disorders. It also strongly suggests reporting them even if they are on medication.

You can access PennDOT's FAQs regarding reporting drivers with Diabetes Mellitus by going to [www.philamedsoc.org](http://www.philamedsoc.org).

## Drexel University College of Medicine to host mini-medical school program

Are you a retired physician interested in volunteering a few hours to share your knowledge with academically gifted high school students interested in pursuing a career as a physician?

Mini-Med Summer Camp is a unique five-week program open to academically gifted high school students who have a strong interest in pursuing a career as a physician.

This is primarily a shadowing program in which students get to see patient doctor interaction while they interact with Drexel University College of Medicine physicians, fellows and residents in such specialties as surgery, emergency medicine and critical care.

The students go on rounds with physicians at Hahnemann University Hospital and observe outpatient office visits. Every day is different as campers experience life in the ER, see what goes on inside the operating room.

The program is July 9-August 10 and held on the Hahnemann Hospital Campus of Drexel University College of Medicine.

For additional information, contact Peggy Lee, 215-762-6800.

# pcms people



The Philadelphia County Medical Society Board of Directors congratulates **John D. Cacciamani, Jr., MD, MBA, PCMS** immediate past president, on his taking over the reins as the new CEO of Chestnut Hill Hospital.



**Brian A. Hannah, MD, MS**, has recently been named to the position of Chief Medical Information Officer (CMIO) at Aria Health. In this role, Dr. Hannah will oversee physician adoption and integration of health information technology throughout the inpatient environment, as well as over thirty-five ambulatory care sites.



**Stephen L. Schwartz, MD**, has been selected as the recipient of the Annual Irma Bland Award for Excellence in Teaching Residents. The

award recognizes outstanding and sustaining contributions Dr. Schwartz has made as a faculty member at the Thomas Jefferson University.

**Parviz Kambin, MD**, has published a book entitled *A History of the Iranian Plateau: Rise and Fall of an Empire*. In this text, Dr. Kambin, who spent his childhood and adolescent life in Iran prior to his emigration to the US in the mid-1950s, provides information about the occupants of the Iranian Plateau dating back to the 15th millennium BCE. The text includes a review and documentation of the finding of archaeologists and the opinions of American Presidents and Secretaries of State who had close contact with the Iranian authorities following World War II. Dr. Kambin provides a review of Iranian art, belief systems, and the contribution of Persian poets, scientists, astronomers, and philosophers.

**Jonathan Cox, MD, FACC**, and his team have acquired accreditation from the Intersocietal Commission for the Accreditation of Nuclear Medicine Laboratories (ICANL) for Aria Health. ICANL accreditation is a means by which general nuclear medicine, nuclear cardiology and PET facilities can evaluate and demonstrate the level of patient care they provide.



**D. Scott Lind, MD**, has joined Drexel University College of Medicine as professor and chair of the Department of Surgery as well as clinical service chief by Hahnemann University Hospital. Dr. Lind comes to Philadelphia from the Medical College of Georgia.

**Change of address?**

Phone 215-563-5343, Ext. 102 with any change of address, phone, fax number, or e-mail address.

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