



The Cloudy Crystal Ball

PRESIDENT'S MESSAGE



By Robert C. Midgley, MD

Whatever our uncertain future will be, we need to approach it with several important limitations and principles in mind.

IN THIS ISSUE THERE ARE ARTICLES on the future of medical practice in our area. One author predicts managed care will still be on the scene, while the other feels managed care will soon fade away. I suspect each author has a 50 - 50 chance of being correct. My crystal ball is usually cloudy, so I would not dare venture a third opinion of what medical care will look like 10 or 20 years from now.

But I am very interested in several principles that need to be present for *any* health care system to survive and flourish, and in venturing a prediction about limitations we will face in the future.

I recently dealt with a serious terminal illness of my mother, who lived in Tampa, Florida. I have been fascinated to see health care delivery in another state across the country from the perspective of a health care consumer, or at least the close relative of a health care consumer.

Florida is the retirement capital of the country, certainly of the East Coast. A lot of older Americans live there who need a lot of health care. Florida has many businesses solely caring for older Americans. Assisted living units are plentiful, as are meals on wheels and skilled nursing facilities.

Despite all of this, it is not easy for a consumer to find the way through the maze of insurance policies, co-pays, Medicare billings and doctor billings.

These "hassle factors" are the same in Florida as in California, despite the fact that Florida's population has long been much older on average than California's. We need only look at Florida to see that our current problems of health care will not be quickly solved.

As I said earlier, there will be limitations. Ever since I bought a 1973 Pontiac LeMans with a 350-cubic inch V-8 engine, I have been aware of limitations.

That car used 8 to 12 miles per gallon when new and fully tuned. And then the price of gasoline went up and up and up. We are now faced with an energy crisis in our state. Eventually the world will run out of fossil fuels. And so it goes. No one can afford to be naïve and think health care will not face limitations. All resources are limited.

What will be the resource limitations specific to health care?

1. Limited Dollars

There is no doubt that whoever pays for health care will want to set limits on how many dollars to pay out to health care providers - be it government, private industry, or the individual consumer. We health care providers will have to be willing to be a part of the solution of dealing with scarce resources. As physicians, we do a better job of successfully allocating resources than non physicians. So in the future, this will become more, not less, important.

2. Limited People Resources

In a future issue, Sierra Sacramento Valley Medicine will comment on studies showing a decrease in the number of practicing physicians. Our own Medical Society statistics are a major source of information on this problem.

But there are also shortages of nurses and technicians such as CT techs, ultrasound techs, etc. In the future these shortages will become more profound and will have a more obvious influence on medical practice.

3. Limited Interest by Government

State and federal governments have multiple issues on their plates. Health care is not now, and will not in the future, be the top priority. Governments react to crises, such as our current energy "crisis." But would we fare well with a crisis of this magnitude in health care?

I think not. Current proposals to deal with the energy crisis show government using quick-fixes that may not be beneficial to the consumer years from now.

What then are some principles that need to be followed before any health care system can survive over time?

o Sound Funding

Actuarially sound capitation. No unfunded mandates on the part of state or federal government.

Physicians have gotten into deep financial difficulties accepting low capitation rates because they felt they had no other choice. Health plans have driven prices down because they could get away with it, not because they were approaching some lower level that was fiscally sound and sustainable.

For a health care system to flourish over time, enough money has to come in to meet the costs. This sounds like, and is, basic economics. Health plans, governments and, to some extent, medical groups, have been developing systems to somehow cheat basic economics. Everyone ultimately fails at cheating basic economics.

o Clarity in Benefits

"You get what you pay for." Only in medicine do consumers not know what they are paying for until after they have used the service. When you purchase an automobile, you agree on the model and options before you buy. Only in health care do you buy a package of benefits that are not defined until after the care has been provided.

"The ambulance ride was not covered." "You have only 100 days of SNF coverage, and that is for skilled care only." No wonder patients and payors are upset with health plans and, by association, with doctors. Medical Savings Accounts and co-pays may make the consumer more aware of just what they are buying up front, and this should be good for health care.

o Restoring Trust in the Health Care Provider

If I don't trust my auto mechanic, I don't go back. If I don't trust my financial advisor, I find a new one.

Only in health care are we given no choice about who is providing the care. If we do not trust our primary care doctor, specialist, or allied health provider, we are likely to be unhappy with anything less than a perfect outcome.

Let us read these articles about our future. But, let us keep the limitations in mind: limitations on dollars, resources, and government involvement. If we make sure these principles are followed - sound funding, clear benefits, and trust in the provider - there is reason for hope.

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