

Employed Physicians and facility fees: I'm as mad as hell and I'm not going to take this anymore. Part 1

Every weekday I drive down a 13 mile stretch of interstate to get to my office right next to my hospital, or should I say facility. Over the last few years I couldn't help but notice during my drive to work that of the seven new building construction projects, six are hospital facilities. These include physician offices, smaller satellite hospitals and a couple of other random medical erections structures. This all started as we were coming out of the recession and virtually no other construction was underway. So I started to think, which can be dangerous, "what the heck is going on here? Why, all of a sudden, are the hospitals building so much?".

“Why, all of a sudden, are the hospitals building so much?”

Here is what I discovered, and you are not going to like it. And I am not the only one talking about it.

The new really big thing in medicine, and I mean really big, is the migration, actually stampede of physicians to become employed or should I say slaughtered. Nobody is really paying much attention to this altruistic movement....it's all good.

Just in case some of you have not picked up on the finer points, I am actually a patient advocate. While I am angry most of the time at what happens to you concerning the mysterious ways of the medical field, now I am down right PISSED OFF, as you will be as soon as you read on. And for the record I am not and never will be employed.

The employed docs are happier because they get paid more for basically the same amount of work; however they won't ever tell you that. What they will tell you is that they like the reduced stress of less paperwork and administrative headache of private practice and they can just sit back and take care of patients. Let's just say that explanation would be only half truth. Most of us docs are very sincere about the taking care of patients part; however the bureaucratic, paper pushing, go to meeting commitments are far worse being employed, not to mention rushing patients through everyday on a corporate time schedule. Then just wait till your contract is up for renegotiation. Too f*****g bad, you made your bed. That's what you get mixing medicine and business. But what the heck, they are making more money as long as they play the game. It's all good.

Increasingly, physicians find themselves working for individuals that have never trained in the health professions or cared for the sick.

Patients think it is good because they are getting that connected, team approach to their medical care. Hells bells, its just like the Cleveland Clinic or the Mayo Clinic right in your own backyard. It is all good for you until you actually try to use it and *you get the bill*. Your local, contrived medical systems popping up around you are about as coordinated as my golf swing. You are the consumer, so just ask yourself as you encounter these new systems: are they really better? Are you getting more attention? Are you getting more time? Is the care improved over the dreaded “private practice”, non-employed doctors, you know, the old way?

IMAGE #2

Now these systems are presenting non-employed physicians as inferior. Their employed physicians are the same docs who were in private practice just a year ago, heck, a month ago. Somehow being employed as a physician must magically increase our IQ and medical knowledge by some measure and by default makes us better doctors.

Then there are the actual bad guys, the non-profit hospital systems (75% of non-government hospital facilities are non-profit) engineering this power play by generously snatching up all these poor docs and providing all this quality care. What a bunch of good samaritans. What a bunch of crap. Three-card monte comes to mind. Why are these bureaucratic, conglomerate hospital systems gaming the system?

Cuz they can!

Here is the question that must be asked. Where is all this new money coming from?

Employed Physicians and facility fees: I'm as mad as hell and I'm not going to take this anymore. Part 2

Here is the question that must be asked. Where is all this new money coming from?

The MONEY IS COMING FROM all the employed physicians FACILITY FEES charged by their employers!

And the docs are oblivious to it happy they are making more money.

The hospital systems perpetrating this power play are capitalizing on a longstanding crevice in the system, but this one is actually the size of Grand Canyon that is wildly increasing their profit. And this loophole is **costing all of us** except for the beloved non-profit hospital systems. In fact, they are making out like never before, but they don't want you to know about it.

Non profit has the ring of “we are on your side”, and we protect the little people who can't take care of themselves. In most cases this non-profit concept might actually be true, but not in the case of the non-profit hospital employers. Everyone, especially you, gets screwed except for these longstanding institutions. Even the docs are getting screwed, they just don't know it.

Forget the ACO (Accountable Care Organization) implemented by Obamacare as the source of all these shenanigans. What we are talking about is across the board, blatant greed.

I want everyone of you to ponder this as long as it takes for the truth to settle in, because it needs to settle in loud and clear for all our sake. Once you get it, you need to get mad as hell.

INSERT MAD AS HELL VIDEO I want both videos to be embedded or be able to be played right on the blog. If the mad as hell video has an ad I don't want that. If so we might have to open a Vimeo AO account

https://www.youtube.com/watch?v=sxIP-PcHgVM&index=1&list=UUHMUOuXPW_o65gOcEmz3VDQ

So here is a simplified example of how it works. Today I see you in my private practice and I charge you for a simple visit (\$150) and a set of xrays(\$50). The insurance company will pay me, after adjustments, etc., \$100 for the visit and \$35 for the xrays. That is the entire charge, no additional “facility fees” or other random charges. *Please keep in mind the numbers I use here are very rough and for demonstration purposes, but close enough.*

Next week I become a hospital employee - smarter, happier, richer - and now I work out of the exact same office where I just saw you, but now it is a facility because I am employed, right? Magic! Now my salary has doubled because my loving, caring, big brother hospital will pay me more because I am important to them and their benevolent cause. But how can they pay me double, build all these new buildings, and do all this advertising? Get ready because **here it comes**. The increased revenue is not because there is more business or more effective billing practices as they would have you believe. Nope! It's because of facility fees charged for employed doctor office visits.

Now, as a hospital employee I see you in my facility office (again, same digs) and I charge you for the same visit (\$150). However, the X-ray charge and other things I can charge for can be as much as 2 to 5 fold increase. In addition, you are likely to get stuck with an additional “facility” usage fee amounting to hundreds of dollars to pay for the overhead. In other words you have to

pay a lot extra now for breathing the air and walking on the floor of the “facility”. And believe me, we all pay for it.

“The root of these increases are controversial charges known as “facility fees,” routinely tacked on to patients’ bills....because they’ve [physicians practices] been purchased by hospital-based health care systems.”

Fred Schulte of The Center for Public Integrity wrote it brilliantly, “One family accustomed to paying about \$120 in out-of-pocket costs for doctor visits and other medical services was outraged when they ended up forking over more than \$1,000 for similar visits, Mullin [Senator Kevin Mullin, VT] said, mostly for seeing doctors whose practices had been bought out by a local hospital.”

Furthermore he wrote “The panel noted that hospitals buying up medical practices in recent years have been tacking on facility fees that increase the patient’s bill even when the doctor is working from the very same office.”

By one estimate, under its current reimbursement system, Medicare is paying in excess of a billion dollars a year more for the same services because hospitals, citing higher overall costs, can charge more when the doctors work for them.

With the rapid migration of doctors from private practice to hospital employment, the percentage of outpatient visits eligible for facility fees is soaring. More employed docs, more facility fees, more money. Here is the thing: the facility fees charged for these doctor visits have been possible since 2000, but they are NEW because the more recent implementation of the ACO and hospitals luring these docs in like chasing the rabbit at the dog races. Just to make sure this point is clear, this is a completely new and extra source of revenue for these hospital systems.

To be fair I must look at the other side of the argument. What is the hospitals excuse for all these new charges? Schulte wrote “The American Hospital Association argues that phasing out the payments “threatens patient access to care.” The group said that hospitals tend to treat “sicker, more complex patients” and are better equipped than doctors’ offices and should be paid more.” These same hospitals were doing quite well before they discovered the Holy Grail; they are just making a lot more now. All the while their expenses really never changed.

How do you feel about paying for luggage when you fly? Facility fees for doctor office visits are no different.

Currently the battle to help control these facility fees is waged in the form of “transparency”. What great political wordsmith; transparency. The ACO’s are increasingly being forced to inform the patient/consumer up front about the facility fee that has never been there before for an office visit. Connecticut HB 5337 was passed this past spring with pressure brought by CT Attorney General George Jepsen. It will be implemented into law October 1, 2014. At least this is a start.

video link to <https://www.youtube.com/watch?v=xtwPS4X41r4>

Alas! In the end there may be justice. The US Office of the Inspector General (OIG) is onto this facility charge shell game and when the off-campus facility fees are stopped, Katy bar the door, because the exodus of these employed physicians will be like yelling fire in a theater. In the words of Jeff Foxworthy, it will be **pandelerium**. Doctors will patted on the back and told to move on to life’s work just as end-of-career professional athletes are told to do when their usefulness has ended. They might be wandering around the streets pondering what just happened with no place to go. Everybody loses except for the hospital systems!

Dr. Scott Gottlieb painted a very grim future for my colleagues in Forbes over a year ago, “If these new doctor-hospital marriages fail again, then this time around the doctors may not been able to go back to what they were doing. They will be financially stuck in these relationships. They will be unable to even raise the capital to re-start their own offices. They may have trouble getting bank loans.....The doctors will get squeezed but the real misfortunate will befall patients. We will increasingly be getting our medical care out of busy, hospital-run clinics. Our doctors will be salaried employees, more beholden to the rules that hospitals erect to manage their activities than the medical practices that they once owned.”

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[Gottlieb Forbes](#)

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IMAGE #1

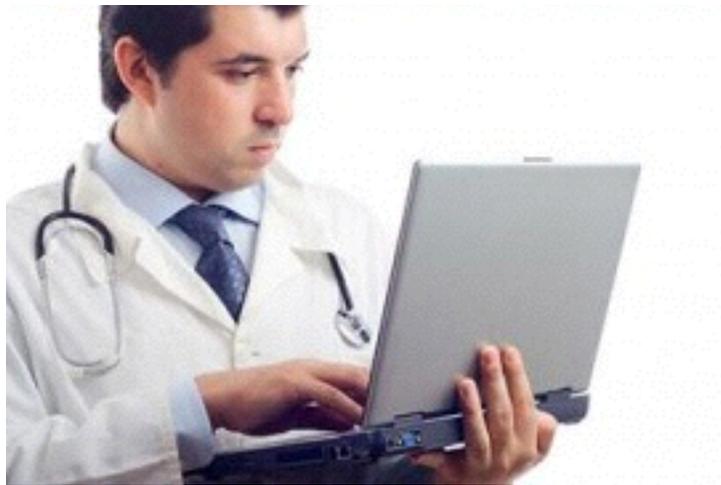


IMAGE #2