

FIXING HEALTH CARE — RIGHT HERE AT HOME

By: Julian D. (“Bo”) Bobbitt, Jr., J.D.*

With the spending part of the “fiscal cliff” taxation/spending discussion looming, Congress is finally being forced to confront the main drivers of our deficit dilemma: government “entitlement” programs such as Social Security, Medicare, and Medicaid.

Meanwhile, there is broad consensus that many of our runaway health care costs are avoidable. Our current fee-for-service health care payment system rewards higher-intensity care in greater volume, with no consequence for lack of coordination. It is a significant reason that our health care system is fragmented, inefficient, and too costly.

Federal government receipts total approximately 19 percent of our nation’s gross domestic product (GDP). And yet if our health care spending trends remain unchecked, by 2035 Medicare and Medicaid alone are predicted to consume 13 percent of GDP. By 2080, Medicare and Medicaid will consume all federal taxes, while total public and private health spending will claim almost 50 percent of GDP. We will have to borrow to pay for the rest of the federal government’s obligations: defense, education, transportation, etc. As of 2012, our nation is already \$16-trillion in the hole and counting. Sticking with the status quo would be a disastrous choice.

However, if medical providers work together and accept new payment incentives that reward value instead of volume, we can help fix America’s broken health care system. That cannot be done remotely in Washington. It requires health care providers in each community cooperating to increase health care quality and cut cumulative costs.

Quality, savings, and patient satisfaction all must be achieved for providers to receive incentive payments under the new health care payment model, called “value-based reimbursement.”

There is plenty of waste to be found and eliminated. This summer, the national Institute of Medicine concluded that America wastes about 30 percent of its health care spending – some \$750 billion a year – on unneeded care, excessive paperwork, fraud, and other inefficiencies.

With basic health care becoming unaffordable for many ordinary working families and individuals, that amount of waste is unacceptable. Although no one can hope to eradicate it overnight, it’s time somebody did something about it. America is asking physicians to step up and form these teams, sometimes called “accountable care organizations” (“ACOs”).

You can help ensure access, improve patient care, promote efficiency, stretch health care dollars, and make patients more of a partner in their treatment. ACOs typically receive 50 percent of the savings they create, which should be considered compensation to you for professional services.

As healers with a calling to serve, you have an opportunity to do your part to enhance patient care while helping to improve our nation's fiscal health. Besides empowering, and paying, physicians to regain control of the physician/patient relationship, your patients, your profession, and your nation need you.

* Mr. Bobbitt is a senior partner and head of the Health Law Group at the Smith Anderson law firm in Raleigh, North Carolina. He has many years' experience assisting physicians form integrated delivery systems. He has spoken and written nationally to primary care physicians on the strategies and practicalities of forming or joining ACOs. This article is meant to be educational and does not constitute legal advice. For additional information, readers may contact the author (bbobbitt@smithlaw.com or 919-821-6612).



County / Regional Medical Societies

Craven-Pamlico-Jones County Medical Society
Durham-Orange County Medical Society
Mecklenburg County Medical Society
Forsyth-Stokes-Davie County Medical Society
New Hanover-Pender County Medical Society
Pitt County Medical Society
Rutherford County Medical Society
Western Carolina Medical Society
Wake County Medical Society

Specialty Societies

Carolinas Chapter, American Association of Clinical Endocrinology
North Carolina Academy of Family Physicians
North Carolina Chapter of the American College of Physicians
North Carolina College of Emergency Physicians
North Carolina Council on Child and Adolescent Psychiatry
North Carolina Dermatology Association
North Carolina Neurological Society
North Carolina Obstetrical and Gynecological Society
North Carolina Orthopaedic Association
North Carolina Pediatric Society
North Carolina Psychiatric Association
North Carolina Radiologic Society
North Carolina Society of Anesthesiologists
North Carolina Soc. of Asthma, Allergy & Clinical Immunology
North Carolina Society of Eye Physicians and Surgeons
North Carolina Society of Otolaryngology – Head and Neck Surgery
North Carolina Society of Pathologists
North Carolina Society of Plastic Surgeons
North Carolina Spine Society

State Societies / Organizations

Community Care of North Carolina
Carolinas Center for Hospice and End of Life Care
North Carolina Academy of Physician Assistants
North Carolina Medical Group Managers
North Carolina Medical Society