



By Patricia A. Costante

MEDICINE & FINANCE

Protect Yourself and Your Patients During this Economic Meltdown

Waiting out this Great Recession is not an option for physicians who want to maintain a financially viable practice. As economists predict that the hoped-for turnaround will not begin until the fall of 2010, there is an urgent need to proactively deal with the ongoing fallout right now.

THE PHYSICIAN AS A BUSINESSPERSON

Physicians have the right to make a living, and it isn't mercenary to expect patients to pay for medical services, either through health insurance coverage or out-of-pocket payments. This expectation is the same financial model that keeps all business people—from the grocers and personal trainers to the lawyers and bankers—alive to work another day.

At the same time, it's true that the majority of physicians do not work solely for financial rewards; they are drawn to the profession by a desire to help people in need. And this is the root of the quandary that so many physicians face today. As more of your patients are unable to pay for services, you are faced with business decisions that are counterintuitive to your core values.

As the economic crisis knocks on your office door, it's time to make specific plans to answer it in ways that protect your patients, your practice, and your ideals.

AMERICANS AT RISK

The "Americans at Risk" report, released by Families USA in April, gave us all a frightening overview of what is happening to the healthcare coverage of many New Jersey families. (See entire report at <http://www.familiesusa.org/assets/pdfs/americans-at-risk/new-jersey.pdf>.) Rather than report only those uninsured for a full calendar year (often those in the lower-income strata who are chronically unemployed), this report also included those experiencing a significant gap in health coverage at some point during 2007 or 2008. The numbers are astounding: 2.4 million New Jerseyans—32 percent of residents under age 65—spent time without any coverage, and that number is increasing rapidly. The report tells us that four out of

five of that 2.4 million were in families where someone was employed full or part time.

We are promised healthcare insurance reform under this new administration, but we can't wait for the federal government to solve the challenges we face right now. As employers are forced to pass high premium contributions onto their employees (not surprising since the health care premiums have more than doubled in the past 10 years), and as the cost of coverage becomes prohibitive for the self-employed and for those on COBRA who have been laid off or reduced to part-time positions, more patients land in your office uninsured. Or worse, do not appear at all.

SIGNS OF PATIENTS WITH FINANCIAL PROBLEMS

It is well known that people without health care coverage are more likely to put off making appointments for new symptoms and to skip follow-up visits. Then, as their health issues escalate unattended, they end up in hospital emergency rooms, requiring expensive charity care. That nagging cough that could have been cured with a 10-minute doctor visit and a round of antibiotics, soon becomes a costly case of advanced pneumonia. In the same way, the outcome turns grim for patients with unsupervised chronic needs from conditions like diabetes, high blood pressure, and cancer.

Prescription fulfillment mirrors the same decline in these hard times. Although the state of the economy does not usually affect prescription drug sales, a study released by health information company Wolters Kluwer Health says this recession has had a negative impact on pharmaceuticals, as patients are facing higher co-pays in downsized benefit packages or are losing their prescription coverage entirely. In a comparison of sales in the first quarter of 2007 to the last quarter of 2008, the percent of unfilled brand-name prescriptions increased 22 percent; 4.1 percent of generic prescriptions also went unfilled. Prescription abandonment has also increased dramatically by 34 percent nationally compared to

the number abandoned in 2006.

PROTECT YOURSELF

Aside from the obvious concern for your patients' health caused by lack of insurance coverage, you must also be concerned about how this circumstance can affect your legal standing in a malpractice suit. If an uninsured or underinsured patient cuts medical corners and then becomes gravely ill, a detailed medical record can help protect you from a negative outcome.

Your medical professional liability carrier may have even further guidance on how appropriate documentation can minimize your malpractice risks. **At the very least, be sure your practice has the following procedures in place:**

1. Depending on the dynamics of your particular practice, it may be helpful to proactively contact your patients with a letter acknowledging your sensitivity to the financial hardships that some of them may be facing. Express your understanding of the way one's financial situation can negatively affect healthcare. Encourage your patients to talk with your office manager to arrange an agreeable solution before abandoning an appointment, a hospital procedure or a prescription.

2. Keep a written record of any such conversations, detailing the date, the issue, the suggested resolution and the patient's response.

3. Have someone in your practice follow-up on all canceled or abandoned appointments and prescriptions on a regular basis. Contact those patients and encourage them to continue care, either through an agreed-upon payment schedule or through an alternative medical facility or clinic. You might instruct your office personnel to confidentially and with sensitivity offer information about local clinics to patients who worry that they cannot afford necessary medical attention.

4. Use an office handout, a link on your Website, or a mailer to help your patients find

appropriate resources for insurance premium and prescription assistance. You might list programs such as those suggested by The Partnership for Prescription Assistance at www.pparx.org/copay.php#10:

1. Needy Meds is a 501(c)3 non-profit with the mission of helping people who cannot afford medicine or healthcare costs. The information at Needy Meds is available anonymously and free of charge.

Website: www.needy meds.com
E-mail: info@needy meds.com
Phone: 978-865-4115

2. Patient Access Network Foundation (PAN) provides financial support for out-of-pocket costs associated with a wide range of conditions, to treat a number of conditions.

Website: www.patientaccessnetwork.org
E-mail: contact@patientaccessnetwork.org
Phone: 866-316-PANF (7263)

3. Patient Advocate Foundation Co-Pay Relief is a program providing direct co-payment assistance for pharmaceutical products to insured Americans who financially and medically qualify.

Website: www.patientadvocate.org
E-mail: help@patientadvocate.org
Phone: 800-532-5274

4. Patient Services Incorporated is a non-profit organization primarily dedicated to providing health insurance premium assistance, pharmacy co-payment assistance and co-payment waiver assistance for persons with specific expensive chronic illnesses.

Website: www.uneedpsi.org
E-mail: uneedpsi@uneedpsi.org
Phone: 800-366-7741

No one has been spared the pain of this Great Recession. Just be sure that the fallout from this difficult time doesn't catch you unaware. Take proactive steps today to protect your patients, your practice and your career.

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