The Supreme Court Thursday morning upheld the 2010 healthcare law in a 5 to 4 decision, striking down one Medicaid provision but approving a mandate that most individuals must hold healthcare insurance or face a tax penalty for not doing so by 2014.

In broadest terms, this means that most of you will see an influx of new patients. It’s estimated that 32 million people will gain insurance as a result of the health law in 2014. In addition, reform initiatives, such as accountable care organizations (ACOs), EHRs, and bundled payments will continue to move forward.

Physicians are divided over the Supreme Court’s decision and divided over how it will influence their practices.

**Medicaid Impact**

Many, like preventative medicine physician George Watson, who practices in Wichita, Kan., are concerned about how the law will affect practices that treat Medicaid patients. Although states now have a choice regarding whether to accept supplemental government funding for expanding Medicaid to those at 133 percent above the poverty line, the law could propel more doctors to shut their door on the program.

The Court struck down an original provision of the law that would have allowed the federal government to withdraw all Medicaid funding, should states not expand eligibility. “I’m really concerned for my peers who provide Medicaid,” Watson told Physicians Practice, adding that the Supreme Court should be “tarred and feathered” for upholding the law. “The government will say ‘you’re covered,’ but the patients won’t be able to find a doctor who will see them.”

Rural Hawaiian solo practitioner Wes Sugai told Physicians Practice the potential expansion of Medicaid in his state will hurt his already strained practice financially.

“Presently, 60-80 percent of my visits are Medicaid,” he said via e-mail. “I often see 40-50 patients a day and have two to three newborns or [medical-surgical] admits ... it’s extremely difficult to recruit and retain new doctors as the work is harder, longer, and more complicated than in a tertiary center. Most doctors are already overwhelmed with patients and can pick and choose which insurance to participate with. Most avoid Medicaid as this is the poorest paying of any insurance program. On average, it pays 50-60 percent of what Medicare and BlueCross/BlueShield pays.”

Internal medicine physician Alieta Eck told Physicians Practice via e-mail that though many of the law’s supporters believe the healthcare law will increase patient access to care, that’s a flawed claim.

As patient demand rises, Eck, also president of the Association of American Physicians and Surgeons, said physician supply will fall.

“We physicians will do what we can to take care of our patients,” she said. “Expecting an insurance company to pay a sufficient amount to cover our services is unrealistic. There is just not enough money to pay for the infinite demand that will be placed upon us.”

Eck also said that EHRs, ACOs, bundled payments, and the like will continue to create “administrative distractions and interference into the practice of good medicine.

“Physicians ought not to be worrying about how to code correctly to get the most out of the insurers or to please the government,” she said. “They ought to be worrying about how to keep up their
knowledge and skills to do the best for their patients.”

The Big Picture

David Merritt, a health policy advisor to three presidential campaigns and a senior advisor at healthcare intelligence business Leavitt Partners, pointed out, however, that such initiatives would continue to move forward even if the Supreme Court had struck down the law.

Coordinated care, value-based reimbursement, and healthcare IT initiatives are “fundamental changes that may be pushed along by the law, but they will occur no matter what happens in the future,” he told Physicians Practice via e-mail.

Merritt, who called the court’s decision “stunning,” said its implications for physicians can be boiled down to four things: more oversight for physicians, much more quality reporting, new quality programs at CMS, and more transparency of physician performance.

The biggest issue to be aware of right now, he said, is that patient demand is going to increase. “...As coverage expands, there will be a huge increase in demand for medical services, but without a commensurate increase in the number of providers,” Merritt said. “More people may have very generous coverage, but they will struggle to find providers to deliver the care.”

One way physicians can deal, and start preparing, he said, is by investing in tools that can increase efficiency over time, such as automated quality reporting, telemedicine, and EHRs.”

Oklahoma City-based anesthesiologist Keith Smith points out that the ruling has better implications for some, than others. Unfortunately, he told Physicians Practice via e-mail, those that will reap the rewards of the ruling are not physicians in small practices.

The ruling “represents a victory for the large hospitals, pharmaceutical companies, large insurance companies, and those wanting more computers used in healthcare — the cronies for whom this bill was crafted,” Smith said, noting that hospitals will become increasingly aggressive in taking over smaller independent practices. Physicians in these practices will have a more difficult time “making ends meet,” he added.

Smith also predicts that more physicians will flee federal payer programs. “Primary care, private practitioners will increasingly opt out of Medicare to avoid the expense of the mandated electronic medical records purchases,” he said, adding that “many physicians will retire, making the current shortage even more palpable.

And while some might predict that physicians will expand their practices and staffing to accommodate the influx of new patients, Smith predicts that physicians will not do this because they will have a “very pessimistic outlook” as a result of the ruling.

Robert Tennant, senior policy advisor for the Medical Group Management Association, told Physicians Practice it's too early to tell how small-practice physicians will be affected by a potentially expanded pool of patients, either from Medicaid or covered by third-party insurance.

“The expansion is not going to be driven strictly through Medicaid,” he said. “What happens now is those without insurance don't tend to go for preventative care. So we should see a rise in the number of patients going for preventative care and seeking annual checkups. “The question is, ‘are those sufficient resources to handle the expected increase in the number of patients?’ And I think that’s up in the air.”

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