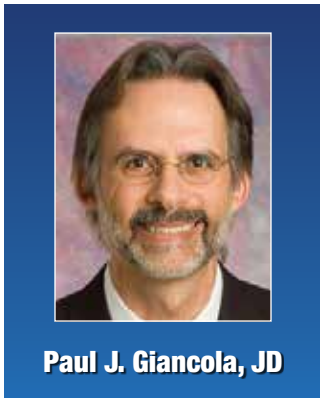




# Are Physicians Evolving Into Shift Workers?

The Affordable Care Act (ACA) has transformed the health-care delivery system. It envisions (and mandates) coordinated care, population health management, and a reduction in “unnecessary”

insurers and people who were already eligible for Medicaid but are now actually signing up for it. The reduction in the uninsured population has also occurred despite 22 states declining to expand Medicaid.



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and duplicative medical services. The goal is improved quality of care at lower cost. The ACA has already resulted in a large drop in the uninsured population. According to *The New York Times*, before the ACA, there were 42 million uninsured. Now there are 29 million uninsured with a net gain of over 13 million new patients added to the health-care delivery system.

The gain in insured patients is attributed to the ACA exchanges, Medicaid expansion, more people buying insurance directly from

Unless the Supreme Court or Congress derails the ACA, the likelihood is that people will continue to sign up for insurance on the exchanges and those states that have not embraced Medicaid expansion will find a way – perhaps with conditions – to accept the available federal money to extend public health-care to more of the poor. States that have accepted Medicaid expansion have found that the federal money provides for increased employment in healthcare and a more robust state economy. As states embrace Medicaid expansion, the goal of the ACA to expand insurance coverage and access to healthcare to 32 million citizens may eventually be realized.

At the same time that the insured population is expanding, the aging population eligible for Medicare will grow by 36 percent in the next few years. When taken together,



the expansion in the insured population and in the over 65 population has and will continue to substantially expand the demand for physician services.

Expanded insurance coverage alone is estimated to increase the number of annual primary care visits by 60 percent. According to one study, this increase alone will require between 4,000 – 7,000 additional primary care physicians per year. Looking down the road, the Association of American Medical Colleges (AAMC) estimates that the United States will face a shortage of more than 130,000

physicians in ten years with the shortage of physicians evenly divided between primary care and specialists.

The goal of integration and coordination of care under the ACA has resulted in new models of care delivery and payment. Fee-for-service payment is declining. The government and commercial payors are rapidly moving toward bundled and shared savings incentive programs that are designed to be more efficient and generate cost savings. The President's recent budget proposes to squeeze \$400 billion over the next 10 years out of federal healthcare

programs. In part, to accomplish this goal, CMS intends to require that 30 percent of Medicare payments are made through alternative payment models by 2016 and 50 percent by 2018.

To serve these ACA models of care, hospitals have acquired primary and specialty medical practices at a rapid rate. At the same time, hospitals are hiring new physicians and recruiting physicians from specialty practices. Many physicians and group practices not wanting to be left behind are approaching hospitals asking for employment.

For insurers, consolidation and integration of care means fewer contracts to manage and the possibility of more coordinated patient care – rather than isolated services. For hospitals with robust physician panels, it means having more influence in negotiating contracts.

Physicians, however, are caught in the middle. At one time, physician practices consolidated and grew larger so could capture ancillary revenues through ambulatory surgery centers and in-office ancillary services such as imaging, physical therapy, and laboratory. However, as hospital employees, physicians are generally paid a salary and they are expected to be productive and the hospital captures the ancillary revenues. With more patients to see, and hospitals seeking to be profitable by spending less on care under the new payment models,

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it often means physicians have to see more patients in less time while reporting to hospital administrators and following hospital imposed practice guidelines. Not surprisingly, most physician hospital employees still report working 10 hours per day plus having on-call obligations.

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of surgeons are employed by hospitals. The trends of decreasing fee-for-service payments to physicians and increasing hospital employment will likely continue.

As employed physicians become less involved in developing new models of payment in which they are an equal partner at the negotiating table, the government,

hospitals and insurers will be the controlling parties in determining the future of the health-care delivery and payment system. Time will tell whether the United States reaches the goals of the ACA – to improve quality and access with less cost.

A byproduct of these goals is continued physician employment by hospitals along with loss of autonomy. **AM**

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