Saving Healthcare Costs
Abolishing Facilities Fees Would Free Billions Instantly

By PJ JETER

On page 19 of Maine Gov. Paul LePage’s proposed budget is a line item that captured the attention of lawmakers in the tiny northeastern state of 2.3 million – and legislators in other states looking for meaningful ways to cut corners without removing social services: “Elimination of separate facility fees for hospital-based physicians: $11.4 million.”

The sizable cut reflected a significant change in the state’s Medicaid program, MaineCare.

“Imagine if that scenario occurred in all 50 states … and if we stripped it out of Medicare and commercial insurance,” said Mariam Jamerson Carey, executive director of Orlando-based Association of Independent Doctors (AID), to the Practicing Physicians of America in the Library of Congress, in Washington DC, on Feb. 2. “Real money – hundreds of billions of dollars – could be restored instantly.”

The Medicare Payment Advisory Commission (MedPAC) has suggested that if hospital facilities charged the same as independent doctors for the same services concerning 66 groups of services, taxpayers would save $900 million a year in Medicare costs alone.

Facilities fees, Carey pointed out, are added costs that provide zero value to patient care, but drive prices upward. “By eliminating them,” she emphasized, “we could move toward a more neutral payment and require payers to pay doctors the same amount for the same procedure, regardless of where it’s done.”

Hospitals have convinced lawmakers that facilities fees are necessary to help offset ever-rising overhead costs and operating hours.

“However, facilities fees … incent hospitals to deny independent doctors because they can then charge more, which in part makes hospitals able to pay doctors more than they can make in an independent practice,” explained Carey.

Compounding Factors

Hospitals have significant funds to finance practice acquisitions – and successfully lobby their arguments to lawmakers – because of the cash flow afforded by their tax-exempt status, which AID would like to see reversed in abusive situations. Nearly two-thirds of hospitals in the U.S. are tax-exempt, including Florida Hospital and Orlando Health.

They pay no property tax, no tangible personal property tax, no sales tax and no income tax, state or federal … in exchange for providing charitable care,” said Carey, noting the “exchange” was set up decades ago when market conditions were quite different. “If Florida Hospital and Orlando Health weren’t non-profits, they would’ve owed a combined $50 million in taxes last year on more than $2 billion of property across five counties. Fifty million dollars buys a lot of healthcare, police officers, classroom teachers, Little [CONTINUED ON PAGE 6]

The Missing Link in Autism
Test early to improve future prospects

By BETH RUDLOFF

As a member of the medical field, and the parent of two adult children with Asperger’s, I think it’s fair to say that most of us know something of autism. We know that it is a cluster or spectrum of symptoms, including verbal, social, and intellectual impairments stemming from differences in the brain and/or a genetic condition. We know that autism can result in capabilities that range from those with severe challenges to those with remarkable cognitive gifts. Most of us may even know that April is Autism Awareness month.

What you may not know

The American Academy of Pediatrics recommends that 100 percent of children be screened for ASD by the age of 18 months, yet the CDC estimates that less than 20 percent are completed for children 5 years and younger. Autism Spectrum Disorder (ASD) now includes autistic disorder, pervasive developmental disorder not otherwise specified (PDD-NOS), and Asperger syndrome; conditions that used to be diagnosed independently. Autism is far from a static, hopeless diagnosis, but early screening and intervention are the key to improving future prospects for children with ASD.

As Dr. Michael E. Kelley, the executive director of The Scott Center for Autism Treatment at the Florida Institute of Technology stated, “If we can get our hands on [CONTINUED ON PAGE 6]

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Sports Innovation in the Sunshine State

By ANDREW WIXSON, MedScape

Spring is in the air and the sports industry in Central Florida is blossoming! This time of year brings a combination of youth, college, and professional sports to our area. From Orlando City Soccer kicking off the season at their brand new stadium and USTA’s grand opening of 100 courts in Lake Nona, to Major League Baseball’s Grapefruit League under way with spring training, Florida attracts people from all over the nation to watch America’s best athletes perform for their cities.

With so many sporting events and athletes surrounding the area, sports related injuries are inevitable. Sports injuries aren’t just for professionals, but also for weekend warriors and novices alike. Thus, positioning Orlando as a magnet for sports medicine enthusiasts and healthcare specialists looking to showcase the latest therapeutic innovations in a thriving medical ecosystem. Their objective—to help athletes achieve maximum performance by getting them back to their highest level and enjoying what they love most, competing. The growth of sports has brought with it an increasing demand for high-quality preventative and treatment options, reducing outpatient procedures, minimally invasive surgeries, training, and awareness of maintaining a healthy and active lifestyle.

As a result, a plethora of great sports rehabilitation centers, like Florida Hospital’s Sports Medicine unit, and new medical device manufacturers, have positively impacted Florida’s economy. As home to more than 620 companies manufacturing medical devices, the Sunshine State is ranked second in the United States for FDA registered medical device manufacturing companies, employing over 684,000 skilled healthcare workers. Many athletes who come to Florida are competing in tournaments, playoffs, and championship level competitions that enhance their respective crafts but also put them at potential risk for a sports related injury. With new innovations in orthopedic and surgical outpatient procedures, patients can often go home the very same day as their surgery. Ironically, earlier this month while researching this topic, I fractured my left radius while snowboarding in Colorado. In order for it to heal properly, my arm required six screws inserted into the bone. Thanks to Dr. Denard and the exceptional clinical staff at Florida Hospital Memorial Medical Center, I was able to schedule the surgery that week and go home the same day as my surgery.

For athletes, sports medicine has helped regain and/or improve performance, but it is also advancing in areas of monitoring and prevention. For example, CDG, LLC (aka: Cool Down Gear) is an Orlando-based company that developed a new layer of thermo-cooling wearable technology in athletic wear called Shiva. Its technology is designed to cool the body’s core temperature when signs of heat exhaustion, heat stroke, or heat cramps are present. With Florida producing extreme temperatures during the summer months well over 100 degrees, this device is an optimal fit for those who need to cool off. Its innovative cooling technology captures heat and moisture from the body to monitor, record, and report the individual’s vital signs, which is then transmitted to their proprietary app and uploaded to any smart device. The result is a patented vest that is able to adjust to properly cool the body’s core temperature.

You can catch a highlight of some of Central Florida’s work in sports medicine on April 13th from 6-8pm, at the Health Innovators “Innovations in Sports Medicine: An Expert Forum” education and networking event, which will be held at the GuideWell Innovation CoRE in Lake Nona. Comprised of some of the most innovative clinicians and inventors in Florida’s sports medicine and orthopedics community, this forum is sure to inform and invigorate sports medicine inventors and enthusiasts alike.

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League fields. Buying small businesses (physician practices) that were paying taxes hurts the community.”

Hospitals’ buying spree of physician practices has left remaining doctors with weakened negotiating power. Circa 2000, two of three physicians were independent. Today, it’s one in three. When it’s time for contract renewal, hospital-employed physicians’ bargaining sway is diluted because of non-compete clauses and other conditions.

“Hospitals also make more money from employed doctors because buying doctors expands hospitals’ market share, which allows hospitals to negotiate higher reimbursements from payers, which contributes to the upward cost spiral,” she explained.

Complicating matters, hospitals bargain with insurance companies and Medicare for higher reimbursements to save money, cut fees to independent doctors, and make it more difficult for independent doctors to remain in practice.

Key Factor: Transparency

Transparency in healthcare costs, especially if insurance companies were mandated to post costs online for consumers to compare the wide range of prices for the same procedure, would go a long way toward addressing the unlevel playing field, said Carey.

For example, an EKG in a free-standing clinic averages less than $400, compared to roughly $1,000 in a hospital outpatient setting. Consumers struggling to understand the new healthcare paradigm are more prone to ask, “Do you take Blue Cross?” than to ask about fees, perhaps assuming incorrectly they are all the same for any given procedure.

For now, Connecticut is the only state with a law requiring facilities charging facility fees to be made transparent to consumers.

“It’s a vicious cycle perpetuated by bad payment policies,” said Carey. “We respectfully ask the Trump Administration, as they work to replace Obamacare, to require site-neutral payments and to abolish facilities fees. Such moves would level the playing field, eliminate the incentive for hospitals to create monopolies, and save Americans hundreds of billions of dollars a year ... money for other needed services.”

Concerning the failure of the Obamacare replacement bill in Congress last month, Carey and AID members weren’t overly surprised. “The game isn’t over,” she said. “Though this bill failed, another one will come along. The process will just take longer than certain members of the administration — and many Americans — had hoped. However, even if this bill had passed, the measures we’ve been asking for — price transparency, an end to hospital-physician employment, and an end to facility fees, all of which contribute to high healthcare costs — wouldn’t have been addressed until the second phase of policy making. The bill that got yanked was only the budget phase of the bill. That said, excessive healthcare costs will persist as long as hospitals get to charge many times more than independent doctors for the same procedures. Until we can cut the glut, and stop the abuses, largely driven by healthcare consolidation, we’ll continue to endure huge price differences. Although we have a long road ahead, I remain hopeful we can fix this.”