



Tuesday, Nov. 13

The quest for simplicity

When you visit an ATM or use a credit card, the accuracy of that transaction is made possible by a series of business rules in the banking industry. Momentum is building to achieve that in health care transactions—but it's not there yet.

That's according to Tammy Banks, director of the AMA's Practice Management Center, who provided a glimpse into a simpler and more efficient future for such transactions at Monday's educational session on automation of the physician practice. She outlined several industry efforts under way to streamline a system that spends an estimated \$98 billion each year on excess administrative costs.

A typical 10-physician practice spends nearly \$39,000 each year to manually verify patients' insurance eligibility and benefits. In the future, at the time the appointment is made, patients will submit their insurance information, which will be verified in real-time and shared with other appropriate entities involved in the episode of care, such as a hospital.

Mark W. Reiger of National Health Exchange Services (NHXS) made it clear that the fees physicians negotiate with a payer for a specific service rarely reflect what the physician collects. He outlined how payers find ways to reduce payments to doctors.

"Knowledge is power in this game," said Reiger, who urged all physicians to submit claims and receive payments electronically.

In a claim edit study of a major commercial payer, he said, on average, the insurance company paid 34 cents per



Mark W. Reiger said payers can choose from among 225 reasons to reduce payment on a claim, and each uses different terminology when they do so.

dollar billed. Patients paid 6 cents, and the rest of the dollar fell victim to discounts in the fee schedule agreement, code edits and proprietary claim edits applied by the payer. The study also found that 30 percent of claims were paid inaccurately, resulting in time-consuming and expensive back-and-forth by practice staff to correct the problem.

Banks pointed to the AMA's *Model Managed Care Contract*, which can assist physicians in avoiding common contracting pitfalls. A companion piece, *15 Questions to Ask Before Signing a Managed Care Contract* can help as well.

Medical activists, mark your calendars!

April 1-2, 2008

AMA National Advocacy Conference
Grand Hyatt Washington, Washington, D.C.

Learn from political insiders about the changing face of Congress and what the future may hold. Get expert tips on how to advocate on behalf of your patients and your profession. Hear from former White House Press Secretary Tony Snow and others. Log on to www.ama-assn.org/go/nac to register online.

April 16-18, 2008

AMA Medical Communications Conference
Paradise Point Resort and Spa, San Diego

Get hands-on communications training and hear from top-level medical communicators, government leaders and national journalists. This conference earns rave reviews from physicians interested in improving their message delivery. Early-bird registration rates apply until Dec. 31. Details coming soon: www.ama-assn.org/go/mcc2008

States' reforms show progress

With health care system reform a major issue in today's political landscape, key physicians and representatives of efforts to transform the health system in four states shared with delegates their experiences during "Health reformation: States take the lead," presented Sunday by the Forum for Medical Affairs.

Former AMA President Robert E. McAfee, MD, provided an overview of Dirigo Health, a government-subsidized agency in Maine that provides health insurance for thousands of people in Maine and is designed to cover all citizens by 2009. Recently appointed as chair of Dirigo Health, Dr. McAfee summarized the impact the plan has had on Maine, which is ranked among states with the lowest number of uninsured. Funding for Dirigo Health, though, is becoming an issue.

"We've done a good job, but we need more money," Dr. McAfee said. "That'll make it easier."

Earlier, Richard S. Frankenstein, MD, president of the California Medical Association (CMA), described the political situation in a state where

6 million people are uninsured. He called California's legislative battles over health care "a five-way tug-of-war," with various sides pushing their own agendas. But he's hopeful a breakthrough, with the CMA at the forefront, is on the horizon.

"We have a fantastic opportunity, and CMA has been on center stage every step of the way," Dr. Frankenstein said. "And that's a good thing. It makes us the go-to people on health care."

The number of physicians in Hawaii is in steep decline, and access to care here is undeniably linked to medical liability. Linda Rasmussen, MD, immediate past president of the Hawaii Medical Association (HMA), spoke about the HMA's efforts to pass significant medical liability reform in the state legislature and explained the importance of leading a strong campaign on the issue.

"If you don't have doctors to take care of people, health insurance doesn't do a lot of good," Dr. Rasmussen said.

Delegates also heard about the progress being made in Massachusetts



Richard S. Frankenstein, MD, discusses health system reform efforts in California.

from Jon Kingsdale, executive director of the Commonwealth Health Insurance Connector Authority, which promotes coverage of the uninsured as part of the state's landmark health care reform legislation.

Physician-only Web community is thriving

Several of the issues discussed at this meeting have been the topic of conversation on Sermo, an online community for licensed physicians. As part of the AMA's strategic alliance with Sermo, you can instantly start or join a discussion about news you read in *AMA eVoice* and *American Medical News*. With the ability to ask and answer questions instantly with medical colleagues from around the country, thousands of physicians find Sermo a great place to discuss new clinical findings, report unusual events and exchange practical advice on everything from challenging clinical cases to humorous patient encounters. Membership in Sermo is free, and Sermo does not have any advertising. Visit www.sermo.com to join the more than 31,000 physicians who are already members.



Richard Allen, MD, shown here with his wife, Patricia MacDonald, was among the 48 top-level Physician Outreach Recruiters honored Sunday evening. Delegates recruited 2,169 new members to the AMA this year. Overall, the program exceeded its goal for the third straight year by bringing in 3,515 new members. Visit www.ama-assn.org/go/outreach to get involved.