

## When You Won't Be Able to Find a Physician

by Gary North

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That day is coming. The closer you are to age 65, the sooner it is coming.

You have to begin planning for this now. The care that you will receive is going to resemble the Post Office.

When you are over 65, a physician who accepts any Medicare patients is not allowed to accept payment from you if you are under Medicare. It's a felony if he does. The only exception is if you're covered by your employers' policy.

Because hospitals charge high prices to uninsured people, but accept Medicare payments or insurance company payments for 20 cents on the dollar, if you aren't under Medicaid, you can get ruined. Why does the government allow this dual pricing practice? Simple: the bureaucrats know that this forces everyone under Medicare/Medicaid at age 65.

Insuring yourself against a catastrophic illness with a high-deductible (\$5,000) coverage would be affordable, but it's not possible. Private insurance companies do not cover people older than age 64.

### THE SQUEEZE ON PHYSICIANS

There was a time when "my son, the doctor" meant a lot. It meant money, social prominence, and steady work. Today, it means filling out Medicare forms, high liability insurance, massive debts at graduation, and years of forfeited income early in life, when the compound growth process should get started.

There are two physicians in my congregation. Both of them have quit practicing. One is an official with Blue Cross/Blue Shield. The other runs a business selling an amazing cream, available only by prescription, that removes aging spots and scarring.

Back before World War I, the government first gave physicians protection from competition. Then, beginning in the 1960s, the government has tightened the regulatory screws. "The government giveth, and the government taketh away."

There is a joke about a physician who calls a plumber. The plumber works for three hours and charges the man \$150 for labor. "Why, I don't make that much per hour, and I'm a physician."

The plumber replies, "Neither did I, when I was a physician."

Recently, I received a letter from a family physician. What he says about his profession is not understood by the general public.

If he is correct, there is going to be a shortage of physicians, especially highly motivated ones. (Note: "shortage" always means "at some price.")

## A PHYSICIAN'S WARNING

Anonymous

I am a family physician and teach medical students. One of the things I try to help them deal with is the little-understood (even by those in med. school) fact that by age 65, most family physicians will have earned less than most factory workers who are willing to work equivalent hours, yet the average 'proceduralist' physician will make within the first four or five years of practice, more money than the family physician will during his/her lifetime.

As a top-10%'er in my class, I had all the options, and had the 'backup' of an undergraduate degree/license as a pharmacist; that's now good for about \$60/hr minimum. I had, unfortunately for my family (income equates to potential time spent with family), a 'calling' to be a family physician, in terms of abilities, interest, and what I felt 'right' doing.

I will make the same amount of money by age 65 (if the government doesn't screw up health care further by regulation) slightly less than I would have if I got out of high-school and signed on at \$7.50/hr, working the same hours I now do, with never any career 'advancement' besides a wage keeping pace with inflation.

My patients of course are clueless; they see the Mercedes driven by a former classmate (I tutored) who is now a urologist, and the big house of the family physician down the street who signed on to work for the local hospital as a 'funnel' physician (so they can get HMO contracts by having lots of primary care providers); she works four days a week in the office, 9 to 4:30, and takes telephone-only call 3 days a month (no hospital practice required) and makes \$115,000 a year. I'll make less than that, and work a 60-hour week, with some months being 'negative' – I've gone as long as 9 months without a paycheck, if there are practice transitions going on (new partner, relocation, etc.).

So far, it just represents my willingness to take some cash-flow risks, and my willingness to view medicine as a 'calling' rather than as a privileged license to take advantage of.

## SOCIALIZED MEDICINE

The problem is that, unlike most areas of business, medicine is socialized, and there is no competition. The worst aspect of this is that the patients pay several-fold more for health care than they should have to, and get far less quality than they ought to. (Ironically most of this is due to government-imposed 'quality-assurance' and 'cost-containment' solutions which are actually

insurance-lobbyist dreams-come-true but the public is persuaded are to ‘help control costs and assure quality.’) The reality is that a patient who presents with several inter-related problems has three kinds of care they will encounter:

1. Revolving-door. They see a physician who schedules 20–25 patients per day, and ‘works in’ another 10; they are in actual face-to-face contact with the physician for less than five minutes, problems are minimized and treated in a ‘meets code specifications’ type manner, and that physician makes maybe \$150,000 to \$300,000 per year for a 40-hour work week, usually with great benefits since they usually work for an HMO or hospital.

2. Biopsy the Wallet. They see a physician who has determined what that particular patient’s insurance’s weaknesses are, and spends the slightly-less-rushed encounter time to ask enough leading questions to determine a ‘need’ for whatever well-reimbursed tests or procedures the physician can ‘capture.’ That physician may make a little more income, and work the same basic hours.

3. Try to do the right thing. They see a physician who maybe sees 2–3 patients per hour, and tries to do a thorough history and examination and order whatever tests are appropriate or do whatever procedures are actually necessary. This physician will have a shabby office, and you will spend an hour or more in their waiting room, but will receive a caring and thorough evaluation. That physician will make between \$50,000 and \$120,000 for a 60-hour work week, and have puny ‘benefits’ because they are likely self-employed. They don’t get the glitzy advertisements or marketing from the local hospital or HMO because they ‘buck’ the system and don’t just skew their evaluation and treatment to maximize the HMO profits so they can get their ‘cut.’

This is all due to the socialization of health care, and the fact that when patients are seen, procedures (most of which are very easy to do, and anyone with half a brain could do well, but are ‘restricted’ due to government and medical-association licensure issues) are way overpaid, and ‘cognitive services’ (which is what the physician’s 12–15 years of post-high-school education are supposed to train us for) are typically unreimbursed or paid minimally for. Example: If I treat a diabetic hypertensive Medicare patient with lipid problems, depression, and arthritis, and multiple medication interactions, I may spend 40 minutes with them (\$120 dollars cost to me in overhead) and Medicare won’t even pay me enough to break even (I’d be better off sending the patient next door to see a specialist who will do some \$900 procedure on them and make them a happy patient, and handing a \$20 dollar bill to them to get them out of my office, than to see them and spend those 40 minutes with them). On the other hand, if I dream up some reason to do a procedure on them (ear wax removal? Skin lesion biopsy? etc.), sick the nurse on them, and move on to the next patient after 5 minutes with them, I may have a profit of \$50 for 5–10 minutes’ work.

Yes, careers can be a ‘calling,’ but when my kids say things like, ‘Dad, why can’t we ever go on vacation like the Smith’s [union factory worker], or have a swimming pool like the Jones’ [self-employed plumber], or just have supper together as a family like the Johnson’s [both school teachers],’ I have no good answers. The Smith’s even have friends in the media, who caution social planners to be sure to keep blue-collar workers from having problems ‘accessing’ health care. The Jones family earns public sympathy as small business owners that the private practice family physician never gets. The Johnson’s are in the martyr class of Teachers, Policemen, and

Firemen who are reputationally under-paid, yet all attain a lifetime average of more per hour than the family physician who refuses to 'play the game' by practicing for the system instead of for the patient.

In a fair world (a capitalistic, free-enterprise one), I could charge say \$5 more per visit, and patients who valued the extra time and better care would pay me \$5 more than the doctor down the street. Since the average profit per doctor visit is in the \$10-15 range, I'd get a substantial raise, encouraging and rewarding me for 'doing the right thing' – instead, they all pay the same \$10 co-pay, whether they go to the revolving-door doc, the find-a-procedure-to-do doc, or myself. My income suffering isn't the big deal, but my kids don't get family time, and they will be lucky if we can send them to college, while the kids of those who surf socialism's great 'safety net' will treasure the many family vacations spent jet-skiing before they trod off to their ivy-league colleges.

'Callings' are at least affordable in a capitalistic environment, but as our society becomes more socialistic, they are not going to be the way most people make life decisions.

#### WHO IS RESPONSIBLE FOR PAYMENT?

I rarely visit a doctor's office: maybe once a year. Two more visits, and I'll be on Medicare. My goal is to pay cash, despite my Medicare coverage. I figure I'm a more valuable patient this way.

I use two physicians: a successful one and a conventional one. The conventional one treats everyone, accepts Medicare, accepts insurance company payments, and will have to work until he's 70. The other is an "alternative medicine" physician. He accepts no Medicare patients, accepts no third-party payments from insurers, and requires payment after every visit. I can pay him whatever he charges after I reach 65. He is not under the Medicare regulations.

He is booked solid for three months out. It's working for him.

In 1978, I spent two weeks lecturing to physicians in a dozen cities. I was accompanied by physicians from Canada and Australia. Two other teams like the one I was on also included physicians from England. We warned physicians about the coming of socialized medicine and government regulation. Attendance was sparse.

The Australian physician had adopted the practice of not accepting third-party payments. That way, he got paid on time. He also attracted patients who were after top-flight service. That, he provided. He recommended that every American physician adopt such a procedure. Few did.

The idea is now spreading. The Association of American Physicians and Surgeons have adopted The Physicians' Declaration of Independence (July 4, 2004). Its opening paragraph is a shot across the bow of socialized medicine.

When in the Course of human events, it becomes necessary for one Profession to dissolve the Financial Arrangements which have connected them with Medicare, Medicaid, assorted Health

Maintenance Organizations, and diverse Third Party Payers and to assume among the other Professions of the Earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of Mankind requires that they should declare the causes which impel them to the separation.

The rest of it is equally good. Paragraph 2 is basic.

We hold these truths to be self-evident: that the Physician's primary responsibility is toward the Patient; that to assure the sanctity of this relationship, payment for service should be decided between Physician and Patient, and that, as in all transactions in a free society, this payment be mutually agreeable. Only such a Financial Arrangement will guarantee the highest level of Commitment and Service of the Physician to the Patient, restrain Outside Influence on Decision-Making, and assure that all information be kept strictly confidential. When a Third Party dictates payment for the Physician's service, it exercises effective control over the Decision-Making of the Physician, which may not always be in the best interest of the Patient. The Third Party then intrudes heavily into the sacred Patient-Physician relationship and demands to inspect the Medical Record in a self-serving attempt to satisfy itself that its money is being spent in accordance with its own pre-ordained accounting principles.

The declaration ends with this forthright assertion:

We, therefore, the undersigned Physicians of the United States of America, appealing to the Supreme Judge of the world for the rectitude of our intentions, do, in the Name of our Patients solemnly publish and declare, that we will withdraw our participation in all above-described Third Party Payment Systems. Henceforth and Forever, we shall agree to provide our services directly to our Patients, and be compensated directly by them, in accordance with the ancient customs of our Profession. As has always been true of our Profession, our charges will be adjusted to reflect the Patients' ability to render payment. Nothing prevents any patient from purchasing and using Insurance. The Patients' medical interactions with us will remain completely confidential. We pledge the highest level of Service and Dedication to their Well-Being.

And for the support of this Declaration, with a firm reliance on the protection of divine Providence, we mutually pledge to each other our Lives, our Fortunes and our sacred Honor.

To put all this into a form that most of us recognize, he who pays the piper calls the tune.

I want to call the tune. I can call it by paying. If my physician has structured his payments system to treat people like I am, he will be responsive to my demands.

But what of my local physician who is booked up for three months? He isn't charging enough. He is rationing access by making us wait for months. He should offer an "emergency appointment" option for an extra \$100 per visit. That would be allocation by price.

As more physicians get the message, he will have competitors.

## IF YOU GET SICK

By relying on third party payments, Americans have passed the buck to third parties. They have chosen low-deductible policies, paid for by employers. This has led to the usual scenario: the insured try to maximize their "free" care, and the companies try to reduce payment. Costs soar. Employers are trying to get out of the insurance-provision business. The health insurance industry looks more and more like Congress.

The physicians are caught in the middle. They are expected by everyone to charge less per visit.

So, my advice is this: don't get sick. Take responsibility for your health. Do the things you know you should, and avoid the things you know are bad for you.

The fact is, the largest single medical expense of your life will be your last six months of life. About half of everything you will spend on hospital and physicians' care will be spent in those final six months. (This, according to the Blue Cross/Blue Shield man in our congregation.) So, Medicare will bust the fiscal system as more old people start dying. The expenses have only just begun.

This means that having an HSA policy is a good idea. These are tax-deductible medical policies. You deposit money on a tax-deductible basis. If you get sick, you can spend this money tax-free. The system will be abused, then reformed, then abused, and so on. But for now, HSA's represent a major savings.

Establish a good relationship with a physician today, so that he will continue to see you. Pay cash. Don't make his secretary fill out forms unless the expense is really high.

A social relationship is important. Give him a book that he might like when you visit his office. You just happened to pick it up. Talk about things he is interested in. Send him a nice Christmas present. Yes, even if he's Jewish. If you know he's interested in sports or other events, buy two tickets and just happen to have an out-of-town event pop up, and does he want them? Do this before you hit age 65. Establish a pattern early.

Living in a small town is better if you're over age 65. In a popular retirement area, you will sit in a large office that looks like Grand Central Station. You will get 10 minutes of time with the doctor. It's all Medicare, all the time. If you're in a small town, maybe there won't be a large office area. You'll get in.

## CONCLUSION

We are about to hit the brick wall in health care delivery. If you can find a physician who doesn't accept Medicare, go there. Pay up front. Be sure he wants you as a patient.

The younger he/she is, the better. Get in on the ground floor, when there is no patient base. A hungry physician is happy to see you. Over time, it will be harder to get on the list.

Basically, the government is substituting rationing for price competition in health care delivery. Under such conditions, you must seek out legal ways to get to the front of the line.