

# POLITICS AND A BROKEN PROMISE: WHY PEOPLE ARE LOSING THEIR PHYSICIANS IN POST-ACA AMERICA

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### In this article...

*Look at several different scenarios that leave patients feeling as if they've been abandoned by their doctors.*

**THE LEVEL OF EXCITEMENT THAT MANY AMERICANS** had about the benefits of the Affordable Care Act [ACA] has not always been echoed by the realities of health care in our emerging delivery system. In particular, the often-repeated pledges that citizens would lose neither their insurance nor their doctor have left many feeling betrayed and abused by broken promises.

Although it is true that President Barack Obama is squarely responsible for making those promises, the reasons why people are having to change their insurance policies and primary care physicians stem from causes much more systemic. Blame can be fairly placed for making promises that were not within the government's ability to keep, but changes in insurance structures and physician access don't necessarily point to the failure of the ACA, rather they point to the repercussions of a free market in a post-ACA period.

Performing a root cause analysis on both of these broken promises is necessary to understand the laws as well as to have an open and realistic conversation about how we'll address the health care needs of Americans.

In many cases, patients are losing their doctors because of decisions that their doctors are making to retire earlier, to convert their practices to employment or concierge models, or refusing to participate in policies purchased through the health care exchanges. All of these decisions are completely within

the individual rights of physicians to design their own life, and no one can — or should — limit them from their freedoms.

But the oft repeated refrain, "The ACA is making me do it" implies an inevitability which is not accurate. Similarly, insurance companies' decisions to dump physicians from their plans are based on economics, but the industry loves to assign blame to the ACA.

In both cases, the excuse is a convenient — but not entirely fair — depiction, and it adds to confusion among the public about what the ACA does and does not mandate. Understanding the true reasons that people are losing their physicians requires a brief review of the most common scenarios.

**PHYSICIANS ARE RETIRING EARLIER** — Clearly no state or federal law can prevent doctors from retiring when they choose. That being said, there is still a general expectation that physicians will work later in life than many other people — a belief perhaps as much based on popular TV shows with snowy-haired, fatherly doctors that flooded into our living rooms in the 1960s. Even so, we all undoubtedly know a physician still seeing patients a decade or more past the standard retirement age of 65.<sup>1</sup>

An unpublished American Medical Association study revealed a decline among physicians from an average retirement age of 69.8 in 1980 to 67.4 years old in 1995.<sup>2</sup> A 2013 survey

from the Deloitte Center for Health Solutions showed that six in 10 physicians (62 percent) predicted that they would witness their colleagues retiring earlier than expected in the next one to three years,<sup>3</sup> and many predict a precipitous decline in the average age of physician retirement in the near future.<sup>4</sup>

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## THE REALITIES OF REFORMING OUR HEALTH CARE SYSTEM ARE PROVING TO BE MORE DIFFICULT THAN MANY EXPECTED.

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Even if not entering full retirement, over 50 percent of physicians plan to reduce their hours or make alterations in their availability to the general patient population,<sup>5</sup> a trend similar to the 7.2 percent reduction of hours worked by all MDs between 1996 and 2008.<sup>6</sup>

The loss of a personal physician because of retirement is a trend that has been present for decades. Physicians' concerns about the impact of the ACA may have accelerated this process, but it is too simplistic to blame the ACA entirely.

**PHYSICIANS ARE BECOMING EMPLOYEES** — The doctor “lost” in many communities is not disappearing; he or she is just changing practice models. The solo practice, cottage office with which so many of us grew up is quickly becoming a memory. The consolidation and merging of health care professionals into larger organizations is certainly consistent with accountable care organizations (ACOs) and patient-centered medical homes (PCMHs) as created, or at least encouraged, by the ACA, but the trend away from solo practice started well before any federal legislation.

Two issues are at play as physicians close their small offices to become employees of a hospital, join a health care system or merge with other physicians to create a very large practice under one corporate umbrella. Many physicians have found that the amount of attention, cost and personnel required to comply with myriad regulations over the past three decades (billing compliance, HIPAA and OSHA, to name just a few) have made solo practice financially unsustainable.

By joining in large groups, efficiencies of scale come into play as staff are hired, consultants bring technical expertise and necessary services are brought in to manage the practice. With an increased presence of administrative services, many employed physicians happily find themselves removed from the burdens of compliance, staff issues and running a business.

Operating in a larger structure — whether physician-owned or part of a hospital system — also offers more predictability to a doctor's schedule than he or she knew in private practice. Millennials are not the only Americans who want more time with their families.

Increasingly, physicians are making decisions for very understandable lifestyle reasons, but their choice usually leaves their patients feeling abandoned by the person whom they



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anticipated to spend years, if not decades, attending to their personal health care needs. The person who knows them (or at least their body) best is gone and patients are angry.

A physician's transfer from a group or employed setting can be particularly devastating to a small town, many of which are served by only a handful of physicians, or perhaps just one. That physician moving to a city will leave many patients stranded back home who had a long-term, intimate relationship with their doctor that they are unlikely to replicate in any new health care delivery system. Even in more cosmopolitan areas, a patient may not be able to maintain a relationship with his or her physician; upon employment, most physicians lose the freedom to choose their own patients.

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**PHYSICIANS ARE ENTERING CONCIERGE PRACTICE** — As opposed to moving into a larger framework, other physicians are choosing to make their practices smaller by charging a premium to fewer patients for increased time, access and attention. These concierge practices (also frequently called “boutique” practices) have seen some success since they first

evolved in the latter half of the 1990s, predominantly in affluent urban areas.<sup>7</sup>

This model, however, has become more affordable and practical for the middle class, and the number of “direct primary care” physician practices is mushrooming.<sup>8</sup> Undoubtedly, this is at least in part in response to the ACA, but it is also driven by the regulations and lifestyle concerns that move their colleagues into an employed model.

Physicians converting their practice to a direct-pay model must ask their patients to self-select on the basis of price. Patients who do not have the means to pay such a premium, or those who resent being charged more for what's perceived to be the same service, will not stay with their physician. They will also “lose” their physician, and even if the blame on Obama would seem fairly tangential, for many that is a happier reason than that their physician made a choice that left them behind.

**DOCTORS ARE REFUSING TO PARTICIPATE WITH ACA EXCHANGES** — Last but not least, there are physicians who have specifically closed their practices to patients who would see them through a policy purchased on an exchange like Healthcare.gov. These patients, and perhaps only these patients, are accurate when they said they lost their physician because of the ACA — although that still negates the physician's role in making that decision, whether for ideological or business reasons.

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At the same time, this possibility does not account for many of the angry patients who “lost” their physician, for patients with an insurance policy from an exchange are almost by definition presenting to a doctor’s office as new, not established, patients. The doctor whom they claim to have lost wasn’t theirs in the first place.

**INSURANCE COMPANIES ARE CREATING “NARROW NETWORKS”** — Setting aside all of these decisions physicians are making that result in the loss of access by their patients, there is another reason people are “losing” their doctor. This reason looms larger than any of the above and is distinctly not the doctor’s choice. People are losing their doctor because the doctor is losing his or her provider status under an insurance plan; they are being “dumped” by an insurance company that is establishing a “narrow network.”

In a narrow network, an insurance company selects which physicians, hospitals and providers are included on a plan, thereby decreasing its costs, primarily by excluding “doctors and hospitals that demand higher prices.”<sup>9</sup>

This was a well-established industry practice long before the ACA; readers will remember “closed model” HMOs of the 1990s that operated as narrow networks. And they do, in fact, reduce costs.<sup>10</sup> As also witnessed in the 1990s, however, this method raises the ire of patients, the public (i.e., voters) and physicians alike.<sup>11</sup>

Reminiscent of the 1990s, we are again seeing the slashing of which physicians an insured person can see under their plan, with all the familiar public and personal upheaval. The ACA does not mandate this resurgence of narrow network plans, though the law certainly encourages the practice.

From an economic perspective, insurers feel they must move to narrow network products in order for their policies to compete with other low premiums on the exchanges. “While narrow networks are a long-time trend, experts say the ACA was the break in the dam that has allowed insurance companies to quicken the move to narrower provider networks, in effect providing insurers “cover for what they wanted to do anyway.”<sup>12</sup>

Narrow networks are not, however, limited to exchange-based policies. Medicare Advantage plans (which are not sold on the exchanges) are the biggest culprits of seeking to reduce costs to the insurance company by restricting the set of available providers.

According to *The Washington Post*, the well-advertised, AARP-endorsed United Healthcare Medicare Advantage Plan appears to have “the most dramatic reductions.”<sup>13</sup> Case in point: In 2013, United Healthcare removed 2,200 physicians from those available to Medicare Advantage patients in Connecticut, a move that resulted in legal action by the physicians.<sup>14</sup>

United also has successfully forced physicians to practice in lower-cost hospitals, specifically dropping physicians who exclusively treated their patients at Yale-New Haven Hospital.<sup>15</sup> Similar restrictions by other insurance companies have been witnessed in other locations.<sup>16</sup>

In response to the anger that narrow networks are creating

among voters, CMS recently promulgated new regulations (slated to take effect in 2015) to stop the practice of narrow networks for exchange-based plans.<sup>17</sup> Similarly, many states are attempting to alter the ability of insurance companies to operate narrow networks within their jurisdictions.<sup>18</sup>

Ironically, by pleasing the voters, these restrictions on narrow networks negate cost savings promised through the ACA,<sup>19</sup> and may ultimately undermine the effectiveness of the law. That being said, experts in the health care field expect that the trend toward narrow network plans will continue and will ultimately become “the norm rather than the exception,” particularly as employers and other price-conscious consumers are driven to the model to achieve necessary cost reductions that are simply not possible in a broad, fee-for-service (i.e., unrestricted) network.<sup>20</sup>

In the meantime, patients are losing their doctors, because physicians are losing their provider status with their patients’ insurance plans. Physicians are going to increasingly find themselves kicked off plans or working within a narrow network for a significant cut in reimbursement<sup>21</sup> while patients may lose more than their doctor.

In a narrow network, they may have difficulty finding a physician who is accepting new patients at all.<sup>22</sup> And even though running a narrow network is a method that predates the ACA, the insurance industry is glad to use the law as a handy target; the anger insurers suffered in the 1990s is now deceptively turned at the government and the law.

**CONCLUSION** — The realities of reforming our health care system are proving to be more difficult than many expected, and this is particularly true for the multitudes who anticipated things would be easier, not harder, than before the ACA. In the heat of legislative battle, promises were made to support the starry-eyed future envisioned by reform activists; those same promises are now the shields used by people who are focused solely on distorting the law for their own political advantage.

At the end of the day, we are witnessing adjustments within the physician community and insurance industry that are driven by a multitude of new realities: personal and financial. Perhaps many of these changes were inevitable, regardless of the ACA, but we are waking up to a time when physicians just aren’t as available as they were a decade ago.

From an individual patient’s perspective, whatever the real reason, he or she is losing time with their trusted physician. That is a reality about which we — especially physician leaders — must tell the truth. ■



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