

Doctor's Digest PODCAST: "Impact of Recession on Patient Care"

Hello and welcome to this new series of podcasts brought to you by the publishers of *Doctor's Digest*, bridging the gap between the business of medicine and the practice of medicine, with single-topic manuals that provide practical solutions from the experts.

What effects has the economic recession had on patient care? Plenty. Despite the wishful thinking of some who believe that medicine is impervious to economic downturns, it's likely that you've been seeing a number of effects in your own practice: empty gaps in your schedule, maybe, or problems in collecting payments, or patients who show up sicker because they've postponed their preventive care in order to cut corners.

The Kaiser Family Foundation (KFF) has found that 53% of Americans are reducing their healthcare due to costs. The results of a KFF survey of over 2,000 patients conducted earlier this year are disturbing, to say the least: One-fourth of respondents said they'd had serious problems paying for health insurance and healthcare as a result of the recession. Even worse, the survey showed that over half of working-age, middle-class adults or a family member have skipped, reduced, or postponed needed healthcare in the past year because of cost.

Patients are not only postponing preventive care; they're not picking up their prescriptions; and when they do pick them up, they're alternating dosages by cutting pills in half or skipping a dose. This becomes an urgent problem in chronic diseases. More patients with diabetes are ending up in emergency rooms with out-of-control blood sugar levels, and patients with diabetes are choosing insulin injections over oral medications to save money. Sales have dropped for expensive brand-name test strips, diabetes pills, and blood glucose monitors, according to industry sales figures. Sales of the generic metformin are up 7% since June of last year, while brand-name versions of metformin—which can cost ten times as much—are down nearly 9% in the same period.

What are your colleagues doing to address these problems? An American Academy of Family Physicians (AAFP) survey last spring found that doctors are trying to help in a variety of ways. Two-thirds indicated that they were taking specific actions to help their patients manage healthcare needs, such as discounting their fees, providing free screenings, and increasing charity care. Family physician Ted Epperly, MD, a recent president of AAFP, points out that the nation is sicker as a whole because of the recession. He urges physicians to ask their patients about changes in their job status or insurance coverage, and to let patients know about community resources that can help them get free or reduced-cost prescriptions. He further advises physicians to make more use of physician assistants and nurse practitioners in order to see more patients. Doctors need to focus more than ever on prevention: Remind patients to decrease their alcohol consumption, stop smoking, increase exercise, and keep taking medication for chronic conditions.

Inevitably, the self-imposed cutbacks in healthcare have meant reduced revenue among family practices. Over 54% of those surveyed by AAFP said they had seen fewer patients since the recession began last year; and in another survey 70% said their practice had suffered a drop in revenue or expected revenue to drop.

How are they dealing with these losses? Fifty-nine percent said they had frozen staff hiring, and two-thirds had cut their practice's operating budget. In an American Academy of Pediatrics (AAP) survey, thirty percent had suspended raises. Nearly a quarter had reevaluated benefit packages for their employees as a way to cut costs. Only about 3% had actually imposed pay cuts. Giving only cost-of-living pay increases and eliminating or reducing overtime pay were other methods being used.

Still another survey this year, from the Medical Group Management Association (MGMA), found that 33% of practices had placed a freeze on staff hiring; 24% had frozen staff salaries;

33% had devised improvements in billing and collections, 13% had renegotiated or eliminated low-paying commercial payer contracts, 18% had stopped taking new Medicaid patients, and 5% had stopped taking new Medicare patients. It is clear that the problem is serious for patients and doctors alike, and that primary care has lost no time in seeking remedies.