



**October 2011**

### **U.S. Doctors' Fees Among Highest**

Doctors in the United States charge higher fees than their counterparts in other Western countries, a major factor in this nation's rising health care costs, a new study by two Columbia University researchers says.

The study also illuminates a pay gap between primary care doctors and specialists in the United States, which contributes to a shortage of primary care doctors. According to the study, primary care doctors earn just 42 percent as much as orthopedists.

After expenses in 2008, primary care doctors in the United States earned an average of \$186,582 for the year, while orthopedic surgeons earned \$442,450 during the same year.

The study found public and private payers paid higher fees to U.S. primary care physicians for office visits (27 percent more for public, 70 percent more for private) and higher fees to orthopedic physicians for hip replacements (70 percent more for public, 120 percent more for private) than public and private payers paid these physicians' counterparts in other countries.

The study compared physicians' fees paid for primary care office visits and hip replacements in Australia, Canada, France, Germany, the United Kingdom and the United States.

### **Lung Cancer Rates Decreasing**

A new report by the Centers for Disease Control and Prevention shows that rates of lung cancer have decreased among both men and women in many American states, including Texas. The report examined lung cancer rates by state and by gender between the years of 1999 and 2008, and found that 35 states showed a decrease in new lung cancer cases in men over those years. Rates for women had been increasing over the last few decades, but finally began to decrease nationwide between 2006 and 2008. Six states, including Texas, showed a decrease for women over all study years.

These decreases are critically important for public health, as lung cancer is the most prevalent cancer in the United States that affects both genders, and it causes more deaths annually than any other form of cancer.

According to the report, no states showed an increase in new lung cancer cases for men during the years examined. For women, rates remained stable between 1999 and 2008 in 24 states, and did show a slight increase in 14 states. While most of the positive change was seen in the Western United States, Texas was among the states with the greatest decreases in lung cancer rates for both genders.

The majority of lung cancer cases are caused by cigarette smoking or secondhand smoke. Smoking bans adopted in Texas cities are believed to be a key tool in the battle to lower lung cancer rates. Health care experts believe a statewide smoking ban would further reduce cancer rates and related deaths.

### **Birthdays**

#### **October**

- 2 – Rep. Scott Hochberg
- 4 – Rep. Jimmie Don Aycock
- 5 – Rep. Ruth Jones  
McClendon
- 5 – Sen. Jane Nelson
- 6 – Rep. Geanie Morrison
- 8 – Rep. Four Price
- 10 – Rep. Eric Johnson
- 14 – Rep. John Otto
- 15 – Rep. Debbie Riddle
- 18 – Rep. Jose Aliseda
- 21 – Rep. Leo Berman
- 22 – Rep. Charlie Geren
- 25 – Rep. Donna Howard
- 26 – Rep. Carol Alvarado
- 27 – Rep. Ryan Guillen
- 27 – Rep. Richard Raymond
- 29 – Rep. Borris Miles
- 31 – Rep. Burt Solomons

## **The Guessing Game Continues on Future of Federal Health Care Reforms and Individual Mandate**

Industry observers are watching closely as the new health care law works its way through the courts toward a ruling from the U.S. Supreme Court. But it is possible the high court's ruling won't add clarity.

Six rulings have been issued to date by various appellate courts: three upholding the law and three ruling against it. However, of the three rulings against the law, only one has overturned the entire law. The other two overturned only the so-called individual mandate — the requirement that everyone buy health insurance to expand the insurance pool.

Without the mandate, many believe that healthy people will lack motivation to purchase insurance, leaving only high-risk consumers in the insurance pool. If the Supreme Court tosses out only the individual mandate, insurers would be required to provide policies to everyone, regardless of health, but no one would be required to buy one.

Most experts assume this scenario would result in higher premiums for everyone, but there are other options. To get around the argument that Congress doesn't have the power to force anyone to buy a product he or she doesn't necessarily want, some have suggested that Congress enact a "health insurance" tax on everyone, and provide refunds to those who purchase insurance.

Another scenario would allow individuals to forego buying insurance, but then those individuals would not be eligible for any government-subsidized health care for a time period to be determined. If at a future date these individuals decided to buy insurance, carriers would not be required to cover any pre-existing conditions.

These two options are among an array being discussed by industry and policy experts as the uncertainty about the future of the federal health care reform builds. One aspect of the reforms is certain, and that is that no one knows how this story will ultimately end.

## **Health Plans Providing Key Support for Doctors' Transition to Accountable Care Payment Models**

Health plans are collaborating with health care providers to shape new delivery and payment models in the private sector, according to a new study by America's Health Insurance Plans. The study found not all providers are equally prepared to enter into accountable care arrangements and that flexibility and the technical assistance provided by health plans are critical to the success of these arrangements.

Health plans identified a number of criteria to evaluate a provider's readiness to enter into accountable care arrangements, including: the level of clinical integration; presence of strong, forward-thinking leadership; willingness to enter a long-term relationship; ability to initiate and implement change; existence of strong health IT infrastructure; sufficient patient size; willingness to participate in performance-based reimbursement models; and ability to accept financial risk.

All models studied involved changes to payment methods and represent movement away from the more costly fee-for-service payment model. Preliminary data from health plans show the effectiveness of these accountable care arrangements: health plans studied reported approximately a 10 percent improvement in quality, a 15 percent decrease in readmissions and total patient days in a hospital, and annual savings of \$336 per patient.

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