Board Adopts Priority System to Guide Case Management, Information Disclosure

At its May meeting, the Medical Board continued its reforms by adopting a formal system of priority cases—an eight-part list of the most egregious cases to be handled on an expedited basis by the Board's investigators and prosecuting attorneys.

The vote came as a by-product of negotiations between the California Medical Association (CMA) and the Board in which both sides are attempting to settle a one and one-half year-old lawsuit filed by the CMA against the information disclosure policies of the Board. In particular, the CMA sought, and received, a temporary injunction against the Board's new policy to disclose to the public, upon request, when a case had been referred to the Attorney General (AG) instead of after a formal accusation had been filed (much later in the process).

While declining to agree to all the terms of a proposed settlement, the Board did agree to restrict disclosure to a priority listing of egregious cases. The Board also agreed to modify the timing of disclosure to when a case has been formally “accepted” for prosecution by the AG (later in the process than “referral” but prior to “accusation”). The Board ordered its staff and counsel to prepare amendments to current regulations to accomplish this. The regulations will be considered at the Board's November 3 meeting. The Board then ordered its staff and counsel to return to negotiations to try to resolve the remaining issues of the lawsuit.

The net effect of the adoption of formal priorities is that overall cases must be handled in priority, for reasons of consumer protection and fairness to respondent physicians and also to manage scarce budget resources even as the total number of complaints and investigations are growing (revocations increased by half in the fiscal year prior to the current year and are projected to remain at that increased level).

A Medical Board analysis, “the Schubert Study,” published a year ago (see Action Report, April 1994), provided the research basis for the now-approved priority list.

After formal adoption of new regulations and while they await approval by the Office of Administrative Law, the staff will activate a system for early identification of priority cases and for tracking them through the process of investigation and prosecution by computer. Reports showing aggregate numbers of priority cases and the number of days it takes to handle each phase of investigation and prosecution will be published in the disciplinary section of the quarterly Action Report.

THE MISSION OF THE MEDICAL BOARD OF CALIFORNIA

The mission of the Medical Board of California is to protect consumers through proper licensing of physicians and surgeons and certain allied health professions and through the vigorous, objective enforcement of the Medical Practice Act.
Peer Review Belongs To Physicians — Not To Hospital Lawyers

by

Robert del Junco, M.D., President of the Board

No sooner had Division of Medical Quality President Karen McElliott and Chief of Enforcement John Lancara published their article (Action Report, January 1995) calling the lack of peer review reporting to the Medical Board a “near crisis” than two new developments served to highlight their point.

First, the tragic case of a former chief of staff at a San Diego hospital who contracted Alzheimer’s came to light. The hospital peer review action was slow in coming, slower in reporting, after which there was almost a year’s delay in getting records—even after a subpoena—based on the advice of the hospital’s counsel.

The problem is that, during the delays, the physician was allowed to continue to practice. Consequently, after peer review had begun, there were six malpractice actions—one in which there was a death and two involving permanent, serious bodily injuries. The hospital’s and physician’s insurers, of course, have paid a fortune, not to mention the tragedies to the patients and families involved.

Outraged at the advice of the lawyers and angered at the lack of focus on the patients in this case, Assemblywoman Barbara Friedman (D-Hollywood), vice-chair of the Assembly Health Committee, introduced AB 1974. This bill would provide that when a hospital peer review committee opens an inquiry of a physician because of a suspected mental impairment, the Board’s Diversion Program must be notified so that the physician can be evaluated as a candidate for that program. At the same time, Board investigators are to determine within 30 days if the impairment is an “immediate danger to the public” and thus a candidate for an interim suspension of the physician’s license.

When will physicians retake control of their own peer review system from hospital lawyers?

Second, the Board on May 17 filed a civil complaint against a hospital administrator in the San Jose area who failed to file a peer review report (Section 805 of the Business & Professions Code) after co-worker complaints alleged that an anesthesiologist on staff had a drug and/or alcohol problem, and after a hospital peer review panel had reviewed the charges on more than one occasion. In fact, the hospital never filed a report. The Board seeks civil penalties of $10,000 against the administrator—the first case of its kind in Medical Board history.

In this case, too, the culprits may be the lawyers who apparently advised the hospital that no report was required under the law until the peer review committee had taken a “final” action (which, presumably, could be in the next millennium). In the meantime, based on additional complaints alleging mental impairment, the Board acted and it was determined by a court that the doctor was an “immediate danger to the public” and should have his license suspended. Since then, the physician in this case has been convicted of drug-related charges in San Francisco and the Board has filed a formal accusation for revocation (in the meantime, his license remains suspended).

What goes through the minds of attorneys who ignore the purpose of the law while risking public protection and even greater culpability of their clients? What goes through the presumably educated minds of hospital administrators and peer review committee members when they accept such advice? These examples (and there are many others, unfortunately) risk loss of confidence in the physician peer review system.

Where peer review does work, it works in conjunction with the Medical Board. The two are compatible, if, for no other reason, than the Board plays the role of “bad cop” for peer reviewers. If the twin systems work together, they do so, in part, because peer reviewers at a local setting are able to get a fellow physician to correct his/her errant ways or else—“else” being an 805 report to the Medical Board because privileges were restricted. In fact, the two must work together inasmuch as a peer review committee is hospital site-specific, while the Medical Board’s responsibility covers the entire state.

Thus, hospital lawyers who advise peer review committees that reporting errant physicians to the Medical Board may bring a lawsuit from the alleged wrongdoer are, in my view, callous about potential harm to patients. Also, they may be way too concerned about potential litigation from errant physicians without examining the facts, and seemingly unaware that to hide from responsibility may allow consequences for which their very clients—the hospitals—may suffer even more if the physician being reviewed is negligent, incompetent, or impaired.
Free Vaccine Program For Children Kicks Off In California

The California State Department of Health Services (DHS) urges physicians, clinics, hospitals, etc., providing childhood immunizations to infants, children and youths to enroll in the new federal Vaccines For Children (VFC) Program, if they have not already done so. The VFC Program was implemented in public clinics in October 1994. It began for private medical care providers in late May 1995. Under this program, the federal government bulk purchases standard childhood vaccines—polio, MMR, Hib, hepatitis B, DTP, DTaP, DT, Td, DTP-Hib—for administration by participating providers to eligible children.

As new vaccines (e.g., varicella vaccine) are licensed and recommended for general use, it is expected that the federal government will add them to the VFC Program. Eligible for this Program are persons age 18 years or younger who are (a) eligible for California’s government third-party payer programs—Medi-Cal and Child Health and Disability Prevention (CHOP), (b) do not have private health insurance, or (c) are American Indians. Nationwide, an estimated 60-65% of children are expected to be eligible.

The free vaccines are shipped, at no shipping cost, to the participating medical care provider’s door. The intent of the VFC Program is to reduce vaccine cost as a barrier to timely immunization of children. Among the program’s benefits: (1) physicians do not have to purchase vaccines for eligible children themselves “up-front,” as the vaccines are supplied free; (2) physicians do not have to charge families of eligible children the approximately $270 or more which the full set of currently recommended vaccines costs, so fewer children will have immunizations delayed or have to be referred by private physicians to public health departments because of the cost; (3) physicians still control whom they see and are not obligated to take new patients for this program; and (4) the Legislature is expected to authorize the Medi-Cal and CHOP programs to use savings realized by the VFC Program to increase the immunization administration cost reimbursements paid to fee-for-service providers.

While some paperwork is associated with participating in the VFC Program (e.g., screening children for eligibility and ordering vaccines), the federal government and the DHS kept it to a minimum. Further, though participation in the program is voluntary for physicians in general, for those who immunize CHDP or Medi-Cal program beneficiaries age 18 years or younger on a fee-for-service basis, enrollment in the VFC Program and use of the VFC vaccines will be mandatory after a transition period which will allow providers to use up inventories they have already purchased.

Physicians, clinics and hospitals who have not already received information and enrollment forms should call the VFC Program office, at (510) 704-3750, or write to the VFC Program, Immunization Branch, California Department of Health Services, 2151 Berkeley Way, Berkeley, CA 94704.

Participation in the Vaccines For Children (VFC) Program
Steps for Physicians, Clinics, and Hospitals

1. Complete and submit to the VFC Program Office just once, at the time of original enrollment, the one-page VFC Program Provider Enrollment Form. (Providers who previously enrolled in the VFC Program do not need to re-submit this form.)

2. Complete and submit to the VFC Program Office once each year, the one-page VFC Program Provider Profile Form. (The Profile Form is used to record information such as the delivery address, delivery days, and estimates of numbers of VFC-eligible children to be served in the coming year.)

3. Complete and submit to the VFC Program Office no more than once every two months (i.e., six times each year), a vaccine order (a one-page form). Allow up to 30 days for vaccine delivery.
   a. On the order form, furnish the amount of VFC vaccine used from the preceding order (no patient age breakdown or vaccine lot number accounting is required).
   b. The vaccine is shipped to the office or clinic, at no cost to the physician.
   c. Though this may be the easiest way to keep track of inventories, VFC vaccine does not have to be stored separately from privately purchased vaccine. For example, if 75% of a physician’s vaccine is VFC vaccine and 25% is privately purchased vaccine, it is not critical that the physician only give his/her VFC-eligible patients only the VFC vaccine, and vice-versa. However, this physician must carefully maintain the overall 75:25 ratio for use of vaccines for his/her entire clientele. Also, the physician must accurately report the amount of VFC vaccine use each time he/she submits a VFC vaccine order.

4. Screen children for VFC program eligibility (three to four questions) with no verification of patients’ responses required. Keep a record for at least three years, for each eligible child, indicating by what criterion he/she qualifies. (No tabulations or submission of these records required.)

5. Do not charge patients for the VFC vaccine, which is supplied free.
   a. CHDP/Medi-Cal fee-for-service providers—Can bill CHDP/Medi-Cal for administration cost for each vaccine dose given to beneficiaries.
   b. Do not charge private-paying VFC-eligible patients more than $17.55 per dose for vaccine administration. Do not deny vaccine to VFC-enrolled child if family cannot pay the administration fee.

For VFC Provider Enrollment, Profile, and Vaccine Order forms, call VFC Program Office at (510) 704-3750.
Medical Board Adopts Plan: Using The Best From Technology

by

Douglas Laue, Deputy Director, Medical Board of California

At its quarterly meeting of May 12, 1995, the Medical Board adopted an information systems strategic plan which will carry it into the 21st century. The plan emphasizes efficiency and cost savings to the Board. “The proper use of technology reduces cost and increases efficiency,” said Carol Fieldhouse, the Board’s Manager of Information Systems.

The Board’s information systems plan includes the replacement of a 1970s-era mini-computer, which is used to track applicants for a California license. In its place, the Board will use a 1990s PC and software developed by the Department of Consumer Affairs. “The cost of the maintenance and repair of our old mini-computer alone will pay for the new system and we will have a more reliable, secure, and flexible system. Besides, you cannot even buy replacement parts for the old system!” said Fieldhouse.

The Board also plans to reduce telephone operator costs by linking up with the Internet. “By making public information available on the Internet,” Fieldhouse explained, “licensees, hospitals, medical groups, and the public will be able to access the Board’s public files without a toll call and without the expense of an operator on the Board’s staff. And the service will be available at all times of the day or night.”

Document storage and retrieval expenses are another target of the Board’s plan. Currently, to satisfy the more than 2,000 annual requests for copies of public documents, the Board gathers the documents manually from a paper file, photocopies them, and refiles them by hand. “We have extracted all the efficiencies possible out of a manual retrieval system,” explained Judith Turner, file room supervisor. “We use the color-coded terminal digit filing system common to modern offices and have organized our paper files into active and non-active sections to minimize our retrieval costs, but computer imaging offers even greater potential savings and more accurate filing.”

The Board plans to explore a public-private partnership in the task of computer imaging of its public files. Under this arrangement, the Board would partner with a private company to provide this service. “The private sector has the lead in modern imaging systems,” explained Fieldhouse, “and the Board can benefit by their experience and expertise.” Government and private sector alliances in the use of emerging technologies, such as imaging, are popular since such arrangements minimize the financial risks to the Board while maximizing the efficiency gains.

Even the 19 individual members of the Medical Board will be impacted by the adopted information systems plan. Led by the vision of Board President Robert del Junco, M.D., individual Board members will be linked to the local area computer network of the Board in Sacramento so that the members can communicate with Board staff via electronic mail, can read and update “bulletin boards” with information on current Board topics, and can link with the database of the Federation of State Medical Boards, for nationwide communication. This service will be available to them from their homes or offices.

Fieldhouse, affectionately known as the “Diva of Data” by fellow staff members, has worked for 11 years in the data processing world. Data security and cost savings are of utmost importance to the Board’s adopted strategic information plan. As President of the Information System Security Association, Fieldhouse is a leader in reducing the risk posed to computer data bases by hackers, espionage artists, computer “viruses”, and sabotage. “The Board has very sensitive information about our licensees and we must be extremely vigilant to prevent unauthorized access to our files,” said Fieldhouse.

For more information on the system plan, please write Carol Fieldhouse, Manager, Information Systems, Medical Board of California, 1430 Howe Ave., #52, Sacramento, CA 95825 or Internet: CAROL@SMTP.MEDBD.DCA.CA.GOV
Data Processing In The Information Age
Medical Board’s Strategic Information Systems Plan

1st Year

**Applicant Tracking System**

This system will replace the old “IV Phase” mini-computer currently housed at MBC which is inflexible, old, unreliable and expensive to maintain.

**Pilot remote access to the Local Area Network (LAN) by Board members.**

This project will improve the communications among staff and Board members. Members will be able to send electronic mail, read and update bulletin boards, send and receive documents, and have access to the BoardNet (a communications system maintained by the Federation of State Medical Boards) from their homes or offices.

**Pilot a dial out capability to provide data to the Federation on BoardNet.**

This project will improve reporting to the Federation and improve obtaining information from sources outside of the Board.

**Improved access to public disclosure on licensing and enforcement.**

This will be a multiple approach project. One will be an INTERNET, GOPHER or WEB server. This will allow the public and institutions to query the current status of a physician’s license from his/her computer at home or work.

**Schubert Priority Feasibility Study**

The purpose of this project is to determine the feasibility and cost of programming the Schubert prioritization system for complaints.

2nd Year

**All Board members to have access to LAN.**

This project will complete Board member access to the Local Area Network.

**Enhance Productivity of Enforcement Investigators.**

The purpose of this project is to enhance the tools of enforcement investigators to increase their productivity by automating much of their tracking and report completion and allowing them direct access to the Enforcement System for real-time inquiry and update.

**Improved ad hoc reporting.**

The purpose of this project is to fully use the existing information and any new system information jointly to improve ad hoc reporting to the Board, the Legislature and others, and to empower the end users.

**Rewrite and enhance the Diversion Tracking System.**

The purpose of this project is to develop a tracking system for the Board’s Diversion Program that is in supportable, standard software, fully documented and allows for remote access by Diversion field staff.

3rd Year

**Begin development of document imaging for both public and confidential documents.**

The purpose of this project is to bring all information on a licensee together in an electronic format which would include all paper files, thus reducing our storage needs and cost of retrieval.

**Upgrade the network to handle images.**

Currently the MBC Local Area Network is connected using an Ethernet network at a rated speed of 10 megabits per second. As communications traffic increases and new data intensive applications (e.g., imaging) are added, this rated speed will be inadequate.

**Field Offices Local and Wide Area Networks (WAN)***

To provide Board-wide access to the proposed new systems, as well as to certain office automation capabilities (e.g. E-Mail and Group Calendaring), it will be necessary to install a total communications network. This network should include LANs within each field office and WANs to tie the field offices to Headquarters.

With the completion of these projects, MBC will be a leader in information systems among other medical boards throughout the country.
State Auditor’s Report

Board Advised To Expand Cost Recovery To Fund Investigations And Prosecutions

The Medical Board has accepted a basic assertion by the State Auditor that a far higher proportion of costs of investigations and prosecutions can be secured from those who are disciplined, the wrongdoers, as contrasted to funding of Board operations from license fees.

Two years ago the Board authorized what is called “cost recovery”. Since then, many case settlements, primarily involving license suspension or probation, also include provisions for cost recovery. As investigators, attorneys and administrative law judges have become familiar with the program’s provisions, it has been used more.

But the State Auditor says that the use of cost recovery is far below what it could be. In fact, the Auditor claims that as much as 40 percent of the enforcement budget could be obtained this way ($9.4 million). In the first year of the program the Board collected less than $100,000 (but an additional $300,000 in restitution was collected for a group of seniors who were defrauded by a physician). In the second year the Board staff projects cost recovery at just under $175,000 (not including restitution).

“Whether the Auditor’s goal can be achieved is problematical,” said Chief of Enforcement John Lancara. “But we agree that the errant physician should pay for his or her misdeeds as much as possible. On the other hand, we believe that the profession generally has a stake in good discipline—and we don’t want to rely on cost recovery so much that we are accused of being bounty hunters.”

The Board’s response to the audit, ordered as part of SB 916 (1993), the Omnibus Medical Board Reform Act, was formally approved at the Board’s May meeting. The audit also raised questions about the billing procedures of the Health Quality Enforcement Section of the Attorney General (the Board’s prosecuting attorneys) and the Office of Administrative Hearings (the Board’s administrative law judges).

Sports Medicine Day Program

The Medical Board and the Board of Podiatric Medicine plan to begin their sports medicine series (see Action Report, January 1995) late this summer, pending approval of continuing medical education credits. Current leading contenders for the location of the first seminar are Santa Barbara, Fresno, or Orange County.

Below is the draft schedule for the first seminar. For more information contact Rick Wallinder of the Medical Board’s Support Services Unit at (916) 263-2480.

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<th>Time</th>
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<tr>
<td>9 a.m. - 9:30 a.m.</td>
<td>Keynote Speaker</td>
<td>11:10 a.m. - 11:55 a.m.</td>
<td>Common Injuries (Workshop)</td>
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<td>Introductions</td>
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<td>Knee, hand-wrist-elbow, forearm,</td>
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<td>Purpose</td>
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<td>shoulder, ankle sprains, foot injuries,</td>
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<td>9:30 a.m. - 10:15 a.m.</td>
<td>Sideline Organization (Seminar—Doctors and Athletic Personnel)</td>
<td>Noon - 12:45 p.m.</td>
<td>Bracing/splinting</td>
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<td>Participation Decisions</td>
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<td>Protective gear</td>
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<td>• What are the most frequent injuries?</td>
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<td>Rehabilitation</td>
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<td>10:20 a.m. - 11:05 a.m.</td>
<td>High Risk Injuries (Workshop)</td>
<td>12:45 p.m. - 1:30 p.m.</td>
<td>Endurance (Workshop)</td>
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<td>Concussion, head, neck, cervical, spinal,</td>
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<td>Dehydration, fluids, heat, asthma,</td>
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<td>1:35 p.m. - 2:20 p.m.</td>
<td>Stabilization of Severely Injured (Seminar—Doctors and Athletic Personnel)</td>
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<td>2:25 p.m. - 3:10 p.m.</td>
<td>Medico-Legal (Seminar—M.D.s and Athlete Personnel)</td>
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<td>• ‘Good Samaritan’ Law Liability</td>
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<td>3:15 p.m. - 3:30 p.m.</td>
<td>Wrap-up, Evaluation</td>
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Medical Board of California
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Californians Gain Expanded Roles
In The Federation Of State Medical Boards

Three California Board members were elected to offices of the Federation of State Medical Boards (FSMB) at this year’s FSMB annual meeting in San Antonio, April 20-22.

1994 Board President Bruce Hasenkamp was elected Treasurer (a post which includes a new full term on the Board of Directors). This year’s President, Dr. Robert del Junco, was elected to a three-year term on the Examining Committee and current Board Vice President, Dr. Alan Shumacher, was elected to the Board of Directors to fill out the remainder of Mr. Hasenkamp’s prior term. This year’s results highlight the active involvement of more Californians at top levels of FSMB than has been the case for many years.

Also, former Board member Rendel Levonian, M.D., was honored by the Federation as this year’s recipient of the Dr. John H. Clark Leadership Award, given to recognize the person who has contributed the most over his career to the advancement of medical licensure in the United States. Dr. Levonian has been active in FSMB for over a dozen years.

Speakers at this year’s conference (in addition to Mr. Hasenkamp and Drs. del Junco and Shumacher) included 1993 Board President Dr. Jacquelin Trestrail (on appropriate prescribing), Licensing Division Vice President Dr. Thomas Joas (on licensing midwifery) and former Licensing Division Manager Terri Ciau (on modern licensing techniques).

Prominent among the FSMB actions at the meeting was adoption of a plan for a national center to authenticate core documents required for licensure—authentication which could be verified by individual state boards at no cost (costs would be paid by fees of applicants). The idea is to simplify the licensing process from state to state.

Also, FSMB delegates adopted the concept of state “registration” (not full licensure) of those who wish to practice telemedicine. Such a concept for California is the subject of a committee of the Board, chaired by Dr. del Junco.

And, in keeping with the age of the information highway, there were demonstrations of new computerized testing for license applicants.

Triplicate Study Completed; Funding For On-Line Service Sought

A new on-line system for reporting narcotics prescriptions to replace the triplicate procedure has been found feasible after a year-long study which the Medical Board supported with funds, staff and Board oversight.

Begun as a joint effort by the Board of Pharmacy, the Bureau of Narcotic Enforcement and the Medical Board, the study sought to evaluate the usefulness of the triplicate system and to determine if upgrading the system was feasible.

The triplicate procedure program had become antiquated. “Stacks of unprocessed paper forms are an unacceptable contrast to available computer processing efficiencies,” said Medical Board Chief of Enforcement John Lancara.

At its May meeting the Board learned from its delegates to the oversight committee, Drs. Fred Milkie and Anabel Anderson Imbert, that the study had proven that on-line triplicate registration by a central data system can be achieved by piggybacking on existing pharmacy billing systems. This would eliminate paperwork and provide better controlled substance tracking.

The results of the study will be shared with Attorney General Dan Lungren who has been asked to consider funding such a system in the budget of the Department of Justice over the next several fiscal years.

Pesticide Reporting — A Reminder

The Department of Pesticide Regulation has begun a program of sending notifications to doctors who have examined pesticide-exposed patients but not reported them. Health and Safety Code section 2950 requires reporting within 24 hours by any doctor who knows “or has reasonable cause to believe” that a patient’s condition was caused by pesticide exposure.

If you get such a letter, it will provide a telephone number where reports can be filed. County agricultural commissioners also have lists of telephone numbers designated by health officers to receive reports.

Copies of these letters are sent to the health officers who should have received the reports and to the agricultural commissioners who must investigate the episodes. The first time a doctor receives a notification letter, nothing is sent to the Department of Industrial Relations (DIR), which has enforcement authority for section 2950. If the Department of Pesticide Regulation identifies another pesticide case examined a month or more after the first notification letter was sent, it will send DIR a copy of that letter for possible enforcement action.
WE’RE LOOKING FOR
A FEW GOOD EXPERTS

LOW PAY!

Would you take a job
that pays $75 an hour ($100 if you
testify in a hearing, plus actual ex-
penses), has no benefits, and requires
you to supply your own office, secretary,
equipment, and reference materials?

NO BENEFITS!

ABMS or equivalent board, or equiva-
 lent/superior qualifications in an
"emerging" specialty or subspecialty is
required. Peer review experience is
recommended but not mandatory. If
you want more information about
requirements, give us

BASIC TRAINING!

which to select experts. This also
allows us to find reviewers who don’t
know the subject of the complaint
personally, and to avoid overloading our
experts with too many cases.

Then the Medical Board wants
you!

We are recruiting for 2,000 top-drawer
physicians who would like to serve as
expert reviewers for the Board.
Over 1,000 of your peers already
have applied, but it is not too late to
join their ranks. The Board’s Division
of Medical Quality approved the initial
group of 200 experts on May 11, 1995,
and more are being approved each
month.

We need board-certified physicians in
every specialty, from every part of
California. Our goal is to have a pool of
qualified, trained experts available by
the end of 1995. If you are currently in
active clinical practice, or inactive for
two years or less, have never been
disciplined by the Board, and have a
current California license, keep reading.

We need people with at least five years
experience in their specialty or sub-
specialty (not including internship and
residency), who practice at least 80
hours per month in direct patient care,
clinical activity, or teaching which
includes at least 40 hours of patient
care. Specialty certification by an

What do Expert Reviewers Do?
The Board receives hundreds of
complaints each month from consum-
ers, other health professionals and
other governmental agencies. Many of
the complaints are closed without any
action, but several thousand are
reviewed by physicians each year to
determine whether there might be law
violations. To assure a fair and
appropriate review, the Board uses
experts in the specialties of the physi-
cians involved. With more than 24
specialties, and dozens of communities
statewide, we need a large pool from

What’s this about basic
 training?

If you apply for the Expert Reviewer
Program, you will be given a loose-
leaf binder containing a variety of
fascinating, well-written, Board-
approved training materials. We think
you will need about six hours to study
them. Then we will ask you to attend a
two-hour face-to-face session at a
Board office to learn more about
working with our medical consultants,
investigators and attorneys. If you
complete these steps, you will be added
to our pool of experts, and may be
called to advise on a case-by-case
basis. That’s it!

How Can I Apply?

Send us your CV. Our address is:
Linda Whitney
c/o Medical Board of California
1426 Howe Avenue, Suite 100
Sacramento, CA 95825-3236
(916) 263-2577

FREE GIFT TO FIRST 2,000 RECRUITS

Apply now and receive an attractive binder containing everything you need to know to be an MBC Expert Reviewer!
A Medical Board Symposium

“Toward The 21st Century”: Telemedicine, Actuarial Medicine, Disciplinary Data And Computerized Testing

It’s time for a reality check—or so it seems. Can that which is geometrically advancing technology really be reality?

Medical Board members, at a symposium open to the public, will try to find out at a one and one-half day gathering at the State Capitol in Sacramento on September 28-30.

The highlight of the event will be a telemedicine demonstration presented by the National Information Infrastructure Testbed (NIIT), a consortium of public and private interests which explores the multifaceted uses of the information highway. This demonstration, presented last year for members of Congress and their staffs in the Rayburn House Office Building in Washington, has been developed by NIIT’s Health Care Working Group.

The demonstration will be co-hosted by the Joint State Senate and Assembly Rural Caucus and by the TeleHealth/TeleMedicine Planning Project Coordinating Committee. A keynote address prior to the demonstration will be made by The Honorable Sandra R. Smoley, R.N., Secretary of the California Health & Welfare Agency.

Leading the discussion of telemedicine will be the nation’s most prominent proponent and practitioner of telemedicine, Dr. Jay H. Sanders, Director of the Telemedicine Center of the Medical College of Georgia. Dr. Sanders has developed throughout Georgia the most extensive telemedicine system in the United States.

The President and staff of the Federation of State Medical Boards will present sessions on modern licensure (FSMB has recently committed several million dollars to the development of a national center to authenticate core documents for licensure) and on computerized testing pioneered by the National Board of Medical Examiners. And four major speakers will explore the impact of the electronic world on discipline by medical boards and the role of actuarial data used by managed care companies and third-party payers to evaluate or authorize treatment.

Finally, the Board and two of its committees will meet in open session to focus on the Board’s role in these issues and to formulate recommendations for its November meeting.

One-Day Summit On Health Resources Set For September 15

Who is a primary care physician (by legal definition) or who should be? And what can be done to provide incentives for primary care physicians to serve in underserved areas?

These major topics are the subject of a one-day “Summit” on Health Resources, sponsored by the Medical Board, and cosponsored by the State & Consumer Services Agency, the Health & Welfare Agency, the Department of Consumer Affairs, the Department of Health Services and the Office of Statewide Health Planning & Development. The Summit is scheduled for Friday, September 15, at the LAX Hilton Hotel, beginning at 9 a.m.

Speakers will range from cabinet officers to health care association executives to academic leaders. State senators and assembly members who are involved in budget decisions to allocate incentive dollars are also presenters.

Participants in the discussions will be broadly representative but by invitation only. Audience observation is open to the public; reservations are advised by calling the Medical Board at (916) 263-2389.

To order your copy of the 120-year history of the Medical Board of California, send your check for $10 for printing and postage, payable to:

MEDICAL BOARD OF CALIFORNIA
Support Services Program
1426 Howe Avenue, Suite 54
Sacramento, CA 95825-3236
Disciplinary Actions: February 1, 1995 to April 30, 1995

Decisions: Physicians and Surgeons

AGUILAR, ALEJANDRO F., M.D. (A-36086) Huntington Park, CA
B&P Code §2234(b). Stipulated Decision. Gross negligence in failing to follow up the results of an ultrasonic examination performed on a pregnant patient at approximately 27 weeks' gestation. Revoked, stayed, 5 years' probation on terms and conditions. March 10, 1995.

ANDERSEN, WILLIAM PAUL, M.D. (A-26018) Woodland, CA
B&P Code §§2234, 2239, 2354. Stipulated Decision. For noncompliance, he was terminated from Board's Diversion Program for impaired physicians. Relapsed, used cocaine; missed meetings and appointments. Revoked, stayed, 5 years' probation on terms and conditions. March 9, 1995.

AZAR, SI HOUSSANG, M.D. (A-24623) St. Petersburg, FL

BEASLEY, BARBARA, M.D. (G-19869) New Rochelle, NY

BITZER, JOHN W., M.D. (C-19783) Taft, CA
B&P Code §§725, 2234(b),(c),(d), 2242. Stipulated Decision. Gross negligence, incompetence, repeated negligent acts, excessive prescribing, and prescribing without prior exam and medical indication, mainly involving weight control patients. Revoked, stayed, 5 years' probation on terms and conditions, including 30 days' actual suspension. February 28, 1995.

BLAND, JAMES H., M.D. (A-43584) Minot, ND
B&P Code §2305. Stipulated Decision. In 1989, the U.S. Army revoked his clinical privileges for using marijuana. In 1992, the U.S. Air Force revoked his clinical privileges for false statements in his application regarding the U.S. Army matter. In 1993, the North Dakota Board disciplined him for failing to respond to Board subpoena for records related to 2 malpractice claims; and for failing to answer Arizona Board correspondence or provide his new address. California: Revoked. Default. April 27, 1995.

BORDEN, LARRY L., M.D. (C-31710) Arcadia, CA

BOURKE, ROBERT S., M.D. (G-9971) Rockville, MD

BROOKER, ROBERT W., M.D. (C-18151) San Rafael, CA

BRYANT, MICHAEL, M.D. (C-27859) Orangeville, CA

CASTILLO, BORIS D., M.D. (A-25803) La Habra, CA

CHO, LARRY M., M.D. (A-32478) Bakersfield, CA
B&P Code §§650, 2234(e). Stipulated Decision. In a year's time, received at least $64,000 in illegal referral fees for referring 407 patients for magnetic resonance imaging to another physician. Revoked, stayed, 5 years' probation on terms and conditions, including 30 days' actual suspension. Agrees to testify truthfully at the other physician's hearing. March 24, 1995.

COBB, CHARLES R., M.D. (A-22862) Saipan, Guam
B&P Code §2305. Default revocation by Arizona Board for failing to respond to Board subpoenas for records related to 2 malpractice claims; and for failing to answer Arizona Board correspondence or provide his new address. California: Revoked. Default. April 27, 1995.

DAQUIOAG, RODOLFO A., M.D. (A-29896) Vallejo, CA
B&P Code §§725, 810, 2234(b),(c),(d),(e). Stipulated Decision. Dishonesty in filing fraudulent insurance claims. Excessive physical therapy. Also, gross negligence, repeated negligent acts and incompetence in the care of elderly patients in nursing homes. Revoked, stayed, 5 years' probation on terms and conditions, including 30 days' actual suspension. April 21, 1995.

DELEON, JR., BALDOMERO, M.D. (G-35749) Walnut Creek, CA

DELLE, STEPHEN OWEN, M.D. (G-25195) Durham, NH

DEVINE, JAMES S., M.D. (G-3938) Las Vegas, NV

DOWBAK, JOHN MAX, M.D. (G-39616) Naples, FL

DRISCOLL, EDWARD T., M.D. (C-9498) Odessa, TX

EBRAHIM, GUL M., M.D. (A-42994) Cuiver City, CA
B&P Code §§2234(e), 2236. Stipulated Decision. Conviction for hit and run, went through a stop sign, struck a bicyclist, fled the scene. Revoked, stayed, 3 years' probation on terms and conditions. February 24, 1995.

ELIAN, GILBERT J., M.D. (G-26558) Santa Clara, CA
B&P Code §§725, 2234(b),(c),(e). Ophthalmologist scheduled numerous elderly patients for cataract surgeries when there were inadequate indications and findings to justify these surgeries. Failed to provide patients with full disclosure. Gross negligence, repeated negligent acts, excessive treatment, dishonesty. Revoked. Discipline recently upheld by Court of Appeal. New effective date: April 21, 1995.

FORD, JR., W.H., M.D. (C-25660) Sonora, CA

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repeated negligent acts and incompetence in engaging in sexual relations with a female patient in therapy. Revoked, stayed, 7 years' probation on terms and conditions, including 60 days' actual suspension. November 10, 1994.


GOLDBERG, LAWRENCE DAVID, M.D. (G-44327) Quartz Hills, CA B&P Code §§499, 2238. Stipulated Decision. Conviction for practicing medicine without a license. (He plea bargained this charge with District Attorney's Office.) Revoked, stayed, 4 years' probation on terms and conditions. April 8, 1995.


HUNTER, WILLARD, M.D. (C-23614) Phoenix, AZ B&P Code §2305. Discipline by Arizona Board for failing to maintain adequate records regarding drugs to patients, and for dispensing drugs for other than therapeutic purposes. Also, disciplined by Utah Board based on Arizona action. Both boards reinstated full privileges now. California: Public reprimand. February 20, 1995.

INGRAHAM, BETTE ANN, M.D. (C-39047) Tehachapi, CA B&P Code §§2234(b), (e), 2261, 2262, 2239, 2292. Gross negligence in performing pre-surgery exam and lab work-up of a patient for another distant surgeon who selected Dr. Ingraham by random. Her medical report was false, containing incomplete testing and the lab results of another patient. Self-use of controlled drugs. Unprofessional conduct in failing to comply with a board order compelling a professional competency examination. Revoked, stayed, 5 years' probation on terms and conditions. March 9, 1995.

JAMES, DWIGHT, M.D. (G-40223) Whittier, CA B&P Code §§2234(a), (e). Stipulated Decision. Filed false claims with MediCal representing he did the work when in fact services were actually rendered by another physician indefinitely suspended from the MediCal program. 15-day suspension, stayed, 1 year probation on terms and conditions. March 27, 1995.


Explanation of Disciplinary Language

1. "Revoked"—The license is canceled, voided, annulled, rescinded. The right to practice is ended.
2. "Revoked-Default"—After valid service of the Accusation (formal charges), the licensee fails to file the required response or fails to appear at the hearing. The license is forfeited through inaction.
3. "Revoked, stayed, 5 years' probation on terms and conditions, including 60 days' suspension"—"Stayed" means the revocation is postponed, put off. Professional practice may continue so long as the licensee complies with specified probationary terms and conditions, which, in this example, includes 60 days' actual suspension from practice. Violation of probation may result in the revocation that was postponed.
4. "Suspension from practice"—The licensee is benched and prohibited from practicing for a specific period of time.
5. "Temporary Restraining Order"—A TRO is issued by a Superior Court Judge to halt practice immediately. When issued by an Administrative Law Judge, it is called an ISO (Interim Suspension Order).
7. "Gross negligence"—An extreme deviation from the standard of practice.
8. "Incompetence"—Lack of knowledge or skills in discharging professional obligations.
9. "Stipulated Decision"—A form of plea bargaining. The case is negotiated and settled prior to trial.
10. "Voluntary Surrender"—Resignation under a cloud. While charges are pending, the licensee turns in the license—subject to acceptance by the relevant Board.
11. "Probationary License"—A conditional license issued to an applicant on probationary terms and conditions. This is done when good cause exists for denial of the license application.
12. "Effective date of Decision"—Example: "July 8, 1994" at the bottom of the summary means the date the disciplinary decision goes into operation.
13. "Judicial Review recently completed"—The disciplinary decision was challenged through the court system—Superior Court, maybe Court of Appeal, maybe State Supreme Court—and the discipline was upheld. This notation explains, for example, why a case effective "October 10, 1991" is finally being reported for the first time four years later in 1995.
female patient, resulting in a conviction of sexual exploitation by a psychotherapist under B&P Code §729. Revoked, stayed, 5 years' probation on terms and conditions, including 30 days' actual suspension. February 14, 1995.

KEMSLEY, GRAHAM, M.D. (A-42139) Newport Beach, CA
B&P Code §§725, 810, 2234, 2261, 2262, 2273. Stipulated Decision. Performed plastic surgeries for cosmetic purposes; misrepresented in false reports and billings to insurance the surgeries were for pathology or functional disorders. Failed to maintain proper medical records and charts. Business procured from Vietnamese sector by paid runner or steerer. Revoked, stayed, 5 years' probation on terms and conditions, including 90 days' actual suspension. March 16, 1995.

KEMSLEY, GRAHAM, M.D. (A-42139) Newport Beach, CA
B&P Code §§725, 810, 2234, 2261, 2262, 2273. Stipulated Decision. Performed plastic surgeries for cosmetic purposes; misrepresented in false reports and billings to insurance the surgeries were for pathology or functional disorders. Failed to maintain proper medical records and charts. Business procured from Vietnamese sector by paid runner or steerer. Revoked, stayed, 5 years' probation on terms and conditions, including 90 days' actual suspension. March 16, 1995.

KERN, SEYMOUR P., M.D. (G-26212) Santa Ana, CA
B&P Code §§2234(a),(c). Ophthalmologist now practicing as a midwife, was incompetent for failure to transfer pregnant patient to the hospital in light of dangerous circumstances during a home delivery. Revoked, stayed, 5 years' probation on terms and conditions. April 25, 1995.

KIM, YOUNG HON, M.D. (A-35428) Sooncheon City, South Korea

KLEIN, EDMUND, M.D. (C-27915) Williamsville, NY

KNIGHT, CAROLL YNN, M.D. (A-23275) Palo Alto, CA
B&P Code §2234(d). Ophthalmologist, now practicing as a midwife, was incompetent for failure to transfer pregnant patient to the hospital in light of dangerous circumstances during a home delivery. Revoked, stayed, 5 years' probation on terms and conditions. April 28, 1995.

KONSTANTIN, KARL A., M.D. (A-20979) Oakland, CA

KOOSHIAN, GEORGE A., M.D. (G-41247) Garden Grove, CA

KRAVATZ, ARNOLD S., M.D. (G-13304) Sherman Oaks, CA

LAMARCA, DONALD D., M.D. (G-13959) San Francisco, CA

LAUTT, MARVIN E., M.D. (C-23582) Warren, PA

LAWRENCE, GENE C., M.D. (C-29177) Newport Beach, CA
B&P Code §2234(b). Stipulated Decision. Gross negligence in failing to order appropriate testing to detect breast cancer in light of findings, complaints of dimpling, and a strong family history of breast cancer. (Mother and two aunts died from breast cancer, all in their 30s.) Revoked, stayed, 3 years' probation on terms and conditions. April 4, 1995.

LEWELLYN, FRED W., M.D. (A-23238) Tripler Army Med. Center, HI

LUNDAHL, GERALD, M.D. (A-28772) La Habra, CA
B&P Code §§725, 2242, 2234(b),(c),(d). Stipulated Decision. Excessive prescribing of controlled drugs without prior exam and medical indication therefor, constituting gross negligence and incompetence. In another case, misdiagnosed patient's condition as a yeast infection when she was pregnant, thus exposing her subsequently to x-rays and to medications contraindicated in pregnancy. Revoked, stayed, 5 years' probation on terms and conditions. April 3, 1995.

MALAKOOTI, HAMID, M.D. (A-40504) La Habra, CA

MARK, HOLLAND L., M.D. (C-2788) Encino, CA
B&P Code §§725, 2234(b),(c),(d),(e), 2234, 2241, 2242, 2261. Stipulated Decision. Prescribed controlled drugs without prior exam and medical indication, excessively, to addicts and in violation of statutes regulating controlled substances. Gross negligence, repeated negligence, and incompetence. Dishonesty in preparing a false medical document to excuse a criminal defendant. Revoked, stayed 10 years' probation on terms and conditions, including 60 days' actual suspension. June 22, 1994.

MARCUS, M. BENNETT, M.D. (A-17220) Whittier, CA

MCBAY, MICHAEL H., M.D. (G-63748) Los Angeles, CA

MOORE, WILLIAM D., M.D. (A-16032) Boise, ID

MOOREHEAD, JAMES F., M.D. (G-65240) College Park, GA

MORTON, KAREN ANN, M.D. (G-64882) Tacoma, WA

NORWICK, SYDNEY, M.D. (C-8855) Laguna Hills, CA
OLMSTED, LUKE R., M.D. (G-58314) San Diego, CA  

ORENS, SCOTT SAMUEL, M.D. (G-59194) Sarasota, FL  

PENTECOST, RICHARD L., M.D. (C-19974) Muskogee, OK  

PINEAS, SIMON J., M.D. (G-36334) Beverly Hills, CA  

PONCEDELEON, MIGUEL A., M.D. (G-23240) Duarte, CA  
B&P Code §2052, 2053, 2054, 2234, 2238, 2264. Aided and abetted his adult son, Junior, an unlicensed person, to pose as a physician in elderly seniors’ office and examine, diagnose, treat and prescribe controlled drugs to patients in the unlawful practice of medicine. Revoked. Default. April 21, 1995.

ROBINSON, WENDELL E., M.D. (A-24617) Richland, WA  
B&P Code §2305. Discipline by Washington State Medical Board as a result of charges of sexual harassment at Kadlec Hospital. Revoked, stayed, 5 years’ probation on terms and conditions. April 23, 1995.

ROCHE, MARTIN M., M.D. (A-23257) Coral Springs, CA  

ROOP, WALTER E., M.D. (G-24748) North Hollywood, CA  

ROSS, GARY STUART, M.D. (G-29892) San Francisco, CA  
B&P Code §2234(b). Stipulated Decision. In house call, gross negligence in establishing an intraocular lens for an overdosed patient in a coma state for many hours, and then leaving the coma state in the care of unskilled wife and family friend. Revoked, stayed, 3 years’ probation on terms and conditions. March 29, 1995.

RYDER, ROBERT CHARLES, M.D. (A-24968) Casper, WY  

SARSEANT, THOMAS L., M.D. (G-60457) Fairfield, CA  

SCHEIDEMANN, WAYNE H., M.D. (G-61678) Lakeport, CA  

SCHOMER, VALANA ELSIE, M.D. (G-30297) Ventura, CA  
B&P Code §§2234(b),(c),(d),(e). Stipulated Decision. Dual relationship with psychotherapy patient, constituting gross negligence, repeated negligent acts and incompetence. Revoked, stayed, 7 years’ probation on terms and conditions, including 30 days’ actual suspension. April 21, 1995.

SHEFEY, SHERIF, M.D. (A-22736) Miami, FL  

SILBERSTEIN, STEPHEN G., M.D. (G-10602) Davis, CA  

SINHA, RAMANDA, M.D. (C-38850) Bakersfield, CA  

SMOLEV, BARRY ALAN, M.D. (G-32399) Los Angeles, CA  
B&P Code §2234(e). Stipulated Decision. Engaged in a dishonest scheme to defraud insurance by creating phony psychiatric reports stating falsely that patients (for weight loss) had psychiatric disorders to justify insurance payments for $35,000—29-day stay in an acute care facility where he was a treating psychiatrist. Also, dishonesty for tax fraud. Revoked, stayed, 7 years’ probation on terms and conditions, including 21 days’ actual suspension. April 5, 1995.

STREFLING, AARON M., M.D. (G-39209) Los Altos, CA  

SWEET, BRIAN, M.D. (C-42022) Apple Valley, CA  

TALISMAN, MARC, M.D. (A-24315) Orange, CA  

TAHAR, PARAMJIT SINGH, M.D. (G-34676) Garden Grove, CA  

TARTARO, THOMAS J., M.D. (G-41688) El Centro, CA  

TAN. OSCAR, M.D. (A-35799) La Jolla, CA  
B&P Code §2234(b),(c). Stipulated Decision. Committed gross negligence by denying responsibility for the delivery of pregnant patient’s baby, and by failing to make specific arrangements with that patient for the delivery of her baby. (At labor, patient went to Emergency Room because pre-natal care physician had no hospital privileges.) Revoked, stayed, 3 years’ probation on terms and conditions. March 23, 1995.
VENANZI, ENZO J., M.D. (A-29186) Woodbury, NJ

VIDRICKSEN, KARL L., M.D. (G-35324) Tulelake, CA

VOLOSHIN, PETER J., M.D. (A-22795) Newport Beach, CA
B&P Code §§725, 810, 2234, 2261, 2262, 2273. Companion case to Graham Kemsley, M.D. Stipulated Decision. Performed plastic surgeries for cosmetic purposes; misrepresented in false reports and billing to insurance the surgeries were for pathology or functional disorders. Failed to maintain proper medical records and charts. Procured business from Vietnamese sector through a paid runner or steerer. Revoked, stayed, 3 years' probation on terms and conditions, including 90 days' actual suspension. March 16, 1995.

WEBBER, JAMES T., M.D. (G-29186) San Diego, CA
B&P Code §§2234, 2261. Assisted an unlicensed person owning a laser clinic to engage in the unlawful practice of medicine by treating patients with cold laser therapy. As a nominal medical director (to qualify the clinic for insurance payments), M.D. was gullible in knowingly signing various false documents, including a false application for a fictitious name permit for the lay person's laser clinic. Prior discipline. Revoked, stayed, 5 years' probation on terms and conditions, including 120 days' actual suspension. April 5, 1995.

WEINTRAUB, ARTHUR H., M.D. (G-41965) Lahaina, Maui, HI

WILSON, DONALD L., M.D. (C-26063) Larkspur, CA

WOOLLAms, STANLEY J., M.D. (C-25843) Ann Arbor, MI

ZAKI, OMAR SHAID, M.D. (A-26707) Framingham, MA

ACUPUNCTURIST
YOM, TAE HWAN, C.A. (AC-11410) Flushing, NY
B&P Code §4955. Stipulated Decision. Collected payments from applicants and shared the loot with cohorts and a licensing official in return for advance receipt of questions and answers to the 1983 state acupuncture "written" examination, which were provided to the paying applicants. Probation for 3 years on terms and conditions, including 3 years' suspension. February 24, 1995.

HEARING AID DISPENSERS
ECHOLS, BARRY (HA-1892) Laguna Hills, CA

NICHOLS, DON (HA-1311) Indio, CA

PHYSICIAN ASSISTANT
HINOJOSA, FEDERICO, P.A. (PA-10150) West Covina, CA

DOCTORS OF PODIATRIC MEDICINE
FANous, Michael M., D.P.M. (E-3544) Laguna Hills, CA

TA, QUOC-HUAN V., D.P.M. (E-3735) San Francisco, CA
B&P Code §2234(b),(d). Stipulated Decision. Gross negligence and incompetence in dispensing phenol, a strong organic acid, to a mentally ill patient for self-application to the great toe to treat a fungal nail problem, which resulted in a significant second degree burn to the left hallux. Revoked, stayed, 5 years' probation on terms and conditions. January 19, 1995.

ZAMZOW, DENNIS, D.P.M. (E-2033) Santa Clara, CA

PSYCHOLOGISTS
ABRAMS, DANIEL EDWARD, Ph.D. (PSY-9435) Newhall, CA
B&P Code §2960(j). Gross negligence in failing to appropriately address patient transferece issues. Revoked, stayed, 5 years' probation, suspended until psychological evaluation is passed. April 6, 1995.

BULL, BONNIE A., Ph.D. (PSY-3589) Pasadena, CA

GOLDBERG, SONNY DAVID, Ph.D. (PSY-8210) Los Angeles, CA

HAASE, RENNE C., Ph.D. (PSY-9775) San Diego, CA

LORANDOS, DEMOSTHENES A., Ph.D. (PSY-6907) Brighton, MI
B&P Code §2960(m). Discipline by Michigan Board for sexual relationship with a woman who had been his patient. The patient left therapy in order to have the relationship with respondent. Revoked, stayed, 2 years' probation on terms and conditions. April 21, 1995.

LUSTIG, JAN, Ph.D. (PSY-8272) Vancouver, WA

OTTESON, JAMES PAUL, Ph.D. (PSY-7051) Thousand Oaks, CA
SHOOTER, CHARLES NATHAN, Ph.D. (PSY-4502) Beverly Hills, CA

RESPIRATORY CARE PRACTITIONERS

CHAN, DENNIS WILLIAM (RCP 12160) Sacramento, CA
B&P Code §§3750(4), 3750.5(b), 3752. Numerous convictions for driving under the influence of alcohol, while having .08 percent or more, by weight, of alcohol. Violated probation of prior discipline. Revoked. April 3, 1995.

CHAVARRIA, CARLOS (RCP 12944) Hayward, CA
B&P Code §§3750(d), 3752.5. Conviction for threatening to commit a crime which would result in death or great bodily injury; exhibiting a firearm in an angry manner; carrying a loaded firearm in a public place. Revoked. March 27, 1995.

COOPER, ALBERT (RCP 14109) Fresno, CA

EASLEY, ANTHONY (RCP 10216) Oakland, CA

GLENNON, PAUL (RCP 4891) San Francisco, CA

GRISHAM, MICHAEL (RCP 14687) Hemet, CA

KESLER, PAULETTE (RCP 7281) San Jose, CA

LOZANO, TONY (RCP 3184) Santa Ana, CA

NICOLA, CLARISSA (RCP 9290) Oakland, CA

SWITZER, MICHAEL (RCP 9475) Tarzana, CA

THOMAS, JUDITH (RCP 11551) San Diego, CA

FIER, MORRIS, M.D. (C-14348) Newport Beach, CA
February 22, 1995

GALVEZ, TIMOTEO, M.D. (C-40709) Madison, WI
November 7, 1994

HANSEN, STEPHEN CRAIG, M.D. (G-31823) Napa, CA
April 24, 1995

HUNT, JOHN D., M.D. (G-43205) San Angelo, TX
April 24, 1995

LEVITT, GILBERT W., M.D. (C-29050) Mercer Island, WA
April 24, 1995

MONTALBO, SERAFIN A., M.D. (C-38802) Monroeville, PA
December 15, 1994

MORSE, HOWARD TILTON, M.D. (A-18547) Pasadena, CA
April 20, 1995

OUIYANG, RUITSON, M.D. (C-39889) Buena Park, CA
April 10, 1995

SHALLENBERGER, FRANK A., M.D. (G-27254) Garden Grove, CA
April 7, 1995

STERNBerg, JOSHUA L., M.D. (C-20393) Miami, FL
April 10, 1995

VANDLING, RAMON ALCAYVE, M.D. (A-35869) Chula Vista, CA
March 13, 1995

PSYCHOLOGISTS

COGEN, MICHAEL JAY, Ph.D. (PSY-9241) San Anselmo, CA
March 30, 1995

McMANAMAN, KATHLEEN, Ph.D. (PSY-20854) Woodland Hills, CA
March 28, 1995

WEST, WILLIAM GEORGE, Ph.D. (PSY-5413) Marina del Rey, CA
April 25, 1995

DOCTORS OF PODIATRIC MEDICINE

KAPLAN, ROBERT J., D.P.M. (E-3017) Phillipsburg, NJ
March 10, 1995

BENSON, BRADLEY E., D.P.M. (E-2937) Turlock, CA
February 23, 1995

REGISTERED DISPENSING OPTICIAN

THEXTON, JOHN A., R.D.O. (SL 2625) Citrus Heights, CA
March 2, 1995

Medical Board of California
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Business and Professions Code
Section 2021(b) requires physicians to inform the Medical Board of any address change.

TOLL FREE COMPLAINT LINE:
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Board of Psychology             (916) 263-2699

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Physical Therapy                 (916) 263-2550
Physician Assistant              (916) 263-2670
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ACTION REPORT - JULY 1995
The Action Report is a quarterly publication of the Medical Board of California. For information or comments about its contents, please contact: Candis Cohen, Editor, (916) 263-2389.

For additional copies of this report, please fax your company name, address, telephone number, and contact person to: Yolanda Gonsolis, Medical Board Support Services Unit, at (916) 263-2479, or mail your request to her at 1426 Howe Avenue, Suite 54, Sacramento, CA 95825.
To the Physicians of California:

Managed Care is not a new concept. The physicians of ancient Greece and Rome undoubtedly made at least some efforts to develop treatment plans for their patients, and to combine efforts to maximize their effectiveness in relation to their incomes. In our times, the concept of health maintenance organizations — HMOs — dates from 1945, when Kaiser Industries created its first group health plan.

However, with the demand for health care, the complexity of available options, and the cost for providing them all expanding geometrically, managed care has taken on an enormous role in the health care delivery system. As more and more consumers find themselves enrolled in insurance plans which impose managed care on participating physicians, concern is growing that managed care may equate with inadequate, inconvenient, and in some cases nonexistent care.

At the same time, physicians find themselves under increasing pressure to enroll in managed care plans, in order to remain competitive in their communities. The risks they take when they do enroll may include having their medical judgement second-guessed by remote reviewers with the ability to deny payment; being “de-selected” for reasons which have nothing to do with the quality of the care they give; finding that after being de-selected their patients no longer “belong” to them; even finding themselves being sued for failure to provide medically necessary care because a plan reviewer denied service.

In response to growing concerns about the negative effects of managed care, the Board has appointed a Committee on Quality of Care in a Managed Care Environment.

As we proceed with this enterprise, I invite each of you to share your experiences and ideas with us. We especially would like to hear from you about techniques which WORK: that is, ways in which managed care can be a “win-win” for payers, physicians and consumers.

As part of our work on this project, we anticipate holding one or more public colloquia on quality of care strategies later this year. If you would like to receive notices of upcoming meetings, send your address to us at: Executive Office, Medical Board of California, 1426 Howe Avenue, Suite 54, Sacramento, CA 95825.

This ACTION REPORT insert addresses several topics of current interest and concern in the managed care realm, ranging from information and data management, to legal issues and patient care concerns.

Sincerely,

CAROLE HURVITZ, M.D., CHAIR
Committee on Quality of Care in a Managed Care Environment

MISSION STATEMENT OF THE MEDICAL BOARD OF CALIFORNIA
The mission of the Medical Board of California is to protect consumers through proper licensing of physicians and surgeons and certain allied health professions and through the vigorous, objective enforcement of the Medical Practice Act.
HOW DO PATIENTS LOOK AT MANAGED CARE?
by Linda A. McCready

In many ways, managed care has made life a lot easier for the consumers it serves. For a working person, a senior with limited mobility, a mother struggling to corral small children, having most or all medical services co-located can be a tremendous convenience. Being able to see a primary care physician, get lab work, X-rays, injections and prescriptions at a single site, which usually has ample parking and protection from the elements, can save time, effort and even some of the expenses of driving and parking.

In a managed care plan, the patient usually has only a small copayment, which frequently applies to prescriptions as well. Often employers will pay the entire premium for a capitated plan, but will require employees to pay a share of the premium if they select a more expensive fee-for-service plan. Because patient charts are maintained at a central location, and are retrieved by the unit where the patient will be seen, patients are spared the frustration of filling out personal information and medical history questionnaires at each new office. This is especially true where records are maintained electronically. And, there are no claim forms, no large out-of-pocket payments, no waiting for retrospective approval of service and reimbursement.

Probably the biggest concerns consumers have about managed care plans are denial of coverage for certain services, delays in being seen or receiving certain kinds of care, having to see someone other than the patient’s regular physician, long waits for appointments, crowding in clinics, and fear that the physician they prefer will be de-selected and they will be forced to find another physician. Other recurring concerns include having to see a primary care physician and get a referral to a specialist, seemingly irrational changes in health plan policies and procedures, and limited choices of specialists, hospitals, laboratories and other ancillary services.

Although only a small percentage of consumers ever face this problem, mandatory arbitration can prove to be a major concern for those who do. Many plan enrollees never read the contract they agree to when they enroll. When a bad outcome occurs, they often assume they can sue the physician, hospital or health plan for malpractice. It comes as a shock to learn that the health plan contract compels them to submit to arbitration, and that they have essentially given up the right to seek restitution — and retribution — through the courts. Arbitration awards generally are more conservative than jury awards, and are less likely to result in huge payments for punitive damages and pain and suffering.

The View from Inside the Managed Care Industry

The April 17, 1995 issue of LACMA Physician contains interviews with six managed care insiders, Molly Joel Coye, MD, Good Samaritan Health System; Edward C. Geehr, MD, HealthCare Delivery System, UniHealth; Oliver Goldsmith, MD, So. Cal. Permanente Medical Group; James O. Hillman, Unified Medical Group Assn., Michael E. Linn, Healthcare Partners Medical Group; and Marc D. Moser, Bay Shores Medical Group. Following are selected quotes from their responses to several questions posed by LACMA Physician.

Dr. Coye: "In general terms, and I’m sure it’s no surprise to most physicians, it’s hard to imagine an environment where any substantive number of solo practitioners are going to be able to make a living without being part of a larger network.”

"The market is demanding not only that we provide care that our patients like and appreciate, but also that we provide measurable value in keeping them healthy, on the job and in school.”

"There’s no question that quality of care assurance under managed care is far superior than in fee-for-service medicine.”

Dr. Geehr: "... these new physician partnerships will view the delivery of healthcare as a privilege — an opportunity to improve patients’ lives — rather than just as an opportunity to build business.”

"Tremendous demand exists for primary care physicians who are willing to practice in IPAs and medical groups.... Considerable opportunity also exists for specialists who proactively organize themselves.”

"... consumers and payers are increasingly holding providers accountable for the outcomes of our decisions, and we must have measurement systems in place that can serve to objectively verify our outcomes from both a financial and a clinical perspective.”

"... at UniHealth we have developed our own outcomes management system called ‘Best Practices.’... It is interesting to note that in the majority of cases, those practices determined to be best from a clinical perspective have also been found to be the most cost-effective.”

Dr. Goldsmith: “Ultimately, the successful [managed care] systems are going to have to meet our patients’ needs. And in order to do this, a clear-cut alignment amongst insurance carriers, hospitals, and physicians will be needed. I think nurses and other health professionals should be added to this equation because medical delivery is a team endeavor.”

(On competition and “the bottom line”): “We are going to be responsive to purchaser requests on service issues. For instance, they have been asking about workers’comp, sick leave policies, access issues, and most of all, cost reductions.”

Continued, page viii, Insiders
PROTECTING QUALITY IN THE MANAGED CARE ERA

This is an era of revolution in the organization and delivery of healthcare. More than 50 million Americans are in HMOs of various kinds, another 60 million are covered by various other managed care entities. Less than a quarter of U.S. physicians are totally uninfluenced by managed care, and 35% to 40% of total physician income comes through arrangements with managed care entities.

In a parallel revolution, managed care entities, with a few exceptions, are becoming acquired, owned, managed and dominated by profit making businesses. The entry of for-profit companies into healthcare to this degree may be the most troubling development in medical care in this century. There are at least eight reasons to worry about the quality of healthcare in this context:

1. Managed care is driven by the need to cut the cost of premiums to the businesses which employ the enrollees. However, there are no independent mechanisms for protecting quality in the face of cost-containment measures.

2. Physicians are rapidly losing the power to control their own practices. Their traditional professional motivation to control and monitor their own performance is being diluted by the domination of managed care entities. Except in the few physician controlled health plans, their fiduciary duty is being limited, with unfortunate consequences for quality of care.

3. Managed care has perverse economic incentives to underserve. Under the term "medical loss ratio" managed care describes the costs of providing care to patients as a "loss" to the corporation. Plan administrators strive to contain this ratio at 70% to 80% of premium dollars. Capitation encourages the companies to underserve and to cut corners.

4. Capitation also is applied to individual physicians. Plans pay a fixed rate per patient to a physician, who then is expected to cover ALL care, including that provided by specialists and labs, and in some cases even hospitalization.

5. In response to the leverage applied to them by managed care companies, many physicians are responding by becoming investors, owners, or limited partners of the insurers. They then are seduced by the company to do what the company wants them to do in return for sharing in the profits. In my opinion this is unethical, an obvious conflict of interest with the physician becoming a double agent.

6. The managed care system does not need all the doctors in a community because of the efficiency with which the plans operate, so many physicians are left out. Physicians must fight for income, and that is an invitation to bad quality medicine.

7. Hospitals, faced with the increasingly outpatient-oriented managed care entities, are being forced to cut their staffs. It is reasonable to assume that mistakes are being made in hospitals simply because they are cutting costs.

8. Finally, the managed care market, like all competitive commercial markets, is not interested in the customers who do not have the money to play in the market. Managed care ignores the uninsured, says they are somebody else's problem. And managed care ignores education and research. It is jeopardizing education, teaching hospitals, and academic health centers because even though it depends on research and education, it will not pay for them.

However, in principle, managed care offers opportunities for improving quality. Managed care encourages doctors to practice in groups, which leads to cross-fertilization of ideas, cooperation, and better peer review. It leads to a more integrated approach to care of individual patients.

Outcome assessment, and process measures are more easily applied, although there is need for a lot of development in these areas. There is no science yet, no epidemiological science adequate to control for all the confounding factors.

Attention can be given to measuring consumer satisfaction, but it is not clear what this really means. Some of the worst, most out-of-date, incompetent doctors are also charming, accessible and kind. They are just not good doctors, but patients love them!

If I had to define quality, I would say that good quality medical care is the care that competent, compassionate and well-informed physicians provide in circumstances that enable them to do the best they can for their patients. They are physicians who work in physical and economic settings that offer no incentive to do more or less than is appropriate for the best interests of their patients, and who accept the need for public accountability and peer review.
The age of electronic medicine is here. Electronic or virtual* medicine offers a number of unique attributes to the practice. It can bring the doctor to the patient without regard to where they are located—in effect, long distance house calls. It requires that significant amounts of information need to be transmitted confidentially from place to place. It permits physicians to perform virtual surgery on computer generated patients.

The electronic and human aspects of medicine have been linked for many years. In 1968, Kenneth Bird created a two-way audio/visual link between Logan Airport and Massachusetts General Hospital. A telemedicine “space bridge” has existed between the former Soviet Union and the United States since the December 1988 earthquake in Armenia.

In 1992, the first “Robodoc” was used successfully to core a femur to accept a prosthesis almost without cement. And at the LDS hospital in Salt Lake City, computers continuously monitor patients for changes in various parameters, determine when changes in treatment are indicated, and automatically institute or adjust such things as drugs or oxygen. At Stanford Research Institute, telepresence surgery creates the illusion of physical proximity between separate patients and surgeons.

With electronic medicine comes a new set of problems. What if the computer “crashes”? What if a robot is given the wrong instrument or cuts too deep? Who is liable: the hospital, the surgeon, the nurse, the manufacturer?

Courts now will accept certain computer records, but what if the data is compressed and then decompressed? How about digitally enhanced sound or visual images? Will they be considered legally effective documents? Can computer records be altered without leaving a trail? How can this kind of fraud be prevented? All of these issues will impact enforcement policies, and eventually must be addressed by medical boards.

*In computerese, “virtual” refers to any computerized activity in which the actions of the human user direct the reactions of the electronic system. For example, if the user turns her head, the image on the screen shows what she would see in the new direction.

Economics Increasingly Impacts the way Medical Boards do Their Jobs
John Hinton, D.O., M.P.H., Medical Director, ChoiceCare, Cincinnati

“The hospitals, to be sure of improvement:
• Must find out what the results are;
• Must analyze the results to find their strong and weak points;
• Must compare their results with those of other hospitals;
• Must promote their staff on a basis which gives due consideration to what they can do and accomplish for their patients.”

E.A. Codman, a cofounder of the JCAH, 1917

The Corporate Element
The real control over managed care comes from Procter and Gamble, not Washington. If GE demands a 5% reduction in medical costs, without a reduction in quality of care, the plan has to comply or die. To maintain that quality, plans use such things as volume-based credentialing: in order to be competent in a procedure, a physician must do a certain volume of cases. Medical providers must assure patient satisfaction, or their patients will vote with their feet.

Looking at change forces change. Licensing agencies look at change in terms of new ways to regulate. Legislatures tend to apply the brakes to change, but change is inevitable. There is room for collaboration between managed care plans and licensing agencies. The plans examine performance at the individual, group and unit level. They evaluate case management and scrutinize medical providers. And they continually look for new ways to optimize delivery of care.

Some emerging issues in managed care include workers compensation; legal issues relating to denial of care; managed Medicare and pharmacy plans; employer alliances; managed care in mental health; access to care; and portability of professional licensure.
Incentives to Decrease Services and Conflicts of Interest

Donald P. "Rocky" Wilcox, J.D., General Counsel, Texas Medical Association

Like other states, Texas is facing up to issues of responsibility for care and conflicts of interest in the managed care realm. Traditional fee-for-service medicine had built in incentives to provide more care, while managed care has the reverse. In this context, what is the obligation of the treating physician to be aggressive in pursuing authorization for needed treatment? What should a medical board do with an emergency room physician who doesn't admit a patient because the HMO has denied payment? What about the responsibility of the HMO physician who makes the decision to deny? Is there an implied physician/patient relationship between the patient and the HMO physician reviewer?

Texas law says a physician has a fiduciary duty to the patient, and is responsible for allowing someone else to unduly influence that responsibility. The code provides criminal penalties for both the fiduciary and the person influencing the fiduciary. Some court cases (notably one involving DuPont) have even taken responsibility for bad utilization review decisions past the UR physician to the corporation which contracted for the managed care (i.e. the patient's employer) as having responsibility for the healthcare plan they employed. The court saw the UR entity as the agent of the employer.

The quandary facing the attending physician is that if he causes the health plan any trouble, he faces the risk of being de-selected. Many managed care plans are very one sided, and include termination-without-cause provisions. While hospitals and licensing boards must meet standards of due process, under many state laws, there are no similar requirements for healthcare plans. (See "MANAGED CARE: Guidelines for Physicians from the California Medical Association," page vi, for California standards.)

Physicians in high per-patient cost specialties may find themselves de-selected for non-quality of care reasons. They may be compared to others in their specialty, or may have an unusual number of high-cost cases. Often patients are notified of de-selection, but are not told the reason, leading to a perception that there is something wrong with the care they received. The physician may lose patients at that point, and also may lose out on new patients even if in the plan, as well as newly covered patients, because the physician is not listed

FROM VARIOUS VIEWPOINTS

in conjunction with the annual meeting of the Federation of State Medical Boards of the United States, April 19, 1995, San Antonio, Texas.

Virtual Regulation/Virtual Discipline: Medical Boards in the Electronic World

Dale Austin, Deputy Executive Vice President, Federation of State Medical Boards of the United States

The thrust in health care is to do more and more with less and less until eventually you are doing everything with nothing at all. Hospitals and other healthcare providers must focus on three areas: decreasing the cost of services, improving or maintaining clinical quality, and improving or maintaining service to patients and clients.

Healthcare currently is witnessing a "feeding frenzy" of corporate buyouts and national conglomerates. In the midst of this, it is critical to stay focussed on patients. Providers are in a catch-up mode in the area of information technology (IT). They have long searched for the perfect all-encompassing IT system, one which can be accessed with the touch of a button. It doesn't exist. It can't be had. It can't be afforded.

The option now is to acquire or build a system which is amenable to add-ons, a system with flexibility. Some elements of such a system include:

- Horizontal and vertical integration between physicians, health facilities and payers.
- A master patient identifier, regardless of where service is given.
- Steadily reduced use of paper; electronically transferable records.
- Solutions to the problems of transferring records when a patient changes provider; issues of confidentiality and competition among providers.

There is a tension between healthcare as business and healthcare as community service. The business side is winning right now, but emerging concerns are turning toward the community perspective.

The future of healthcare information technology can be illustrated by looking at the Domino's Pizza chain. When you order a pizza by phone, considerable information about you is stored in a nationwide database. The next time you call they already know where you live and what you like on your pizza. If you move to another town, your call is directed to the store nearest your new address. With an integrated database, patient medical records should be this accessible from provider to provider. That is where the healthcare enterprise is trying to go.
INCENTIVES

Continued from page v

in the plan brochure. This possibility has serious implications for physician decisions regarding really sick patients. States must assure due process, and assure that the duty to the patient comes first. Undue pressure on the physician to withhold treatment options must not compromise the physician's duty to offer and provide high quality medical care to patients.

In some cases, there may be incentives for utilization review physicians to balance approving extremely costly care against the possibility of a lawsuit. While medical decisions should be isolated from actuarial decisions, this is not always the case. Another form of conflict occurs when a medical director of a managed care plan receives bonuses or other rewards for minimizing expenditures. Similar pressures apply to physicians who are required to pay for services which the physician recommends or orders, if they are not covered by the plan. Surprisingly, this is not an uncommon provision employed to control the physician by penalizing his advocacy for what is best for the patient.

Many employer-funded health plans introduce another element: under federal law, they fall under the Employee Retirement Income Security Act (ERISA), which preempts state laws relating to due process and tort actions. ERISA plans provide less protection to patients, and lower damages for patient harm, because state laws passed to safeguard patients are preempted.

Some other concerns relate to how health plans deal with physicians who are under investigation, have malpractice suits pending, or are under discipline by a Board. In a sense, if a plan de-selects a physician who is under investigation or is on probation, it is usurping the Board's authority to determine who can practice medicine. Likewise, at least 90% of investigations do not result in discipline, and there is no direct relationship between malpractice suits and bad medical care. But a physician who is de-selected is punished nonetheless.

TELEMEDICINE

Continued from page iv

The Ohio Study (see page vii) is leading toward a state-wide, standardized, unified recordkeeping system. This already is underway for prescriptions, with all drugstore chains keeping prescription records on computers and sending records through the air unencrypted. The opportunity for mischief is tremendous.

Boards should consider defining an original, or an acceptable duplicate of an electronic record, and an electronic signature. There is a need to specify an appropriate degree of confidentiality in storing and transmitting electronic records. [Boards] may want to criminalize the alteration, falsification, unauthorized access to or tampering with electronic records.

A related issue is that Boards may need to obtain legal jurisdiction over out-of-state providers who practice by air in their states. In disciplinary cases, they need to be able to access electronic records. They also need to address the blurring concepts of space, time, physical reality, jurisdictional licensure through multiple bureaucracies, and whether licensure in multiple states will remain viable. Ultimately, Boards must address how to protect the public without interfering with progress.

MANAGED CARE: Guidelines for Physicians from the California Medical Association

("California Physicians' Legal Handbook", Chapter 13.5)

A wealth of information for physicians who are considering enrolling in a managed care health plan, or are currently participating in such a plan, can be found in the CMA Legal Handbook's chapter on managed care. The handbook examines a variety of issues in considerable depth, and with periodic updates, provides current developments in law, contracts, liability and other critical topics.

In the area of the participation contract, for example, the handbook addresses arbitration and other forms of alternative dispute resolution, contract termination, both with and without cause, issues relating to the physician/patient relationship, discrimination and antitrust.

A lengthy section on denial of payment by utilization reviewers details recent changes in California law which provide important protections for both patients and physicians. The section describes risks physicians face in a malpractice action if they fail to provide appropriate care because payment was denied. It also explores the liability of UR physicians and health plans in such cases. Included in this section is information about how physicians can appeal denials, and guidance on documenting the efforts a physician makes to assure that patients receive medically necessary care. The section also outlines legal constraints on retaliation against physicians who advocate vigorously for their patients.

For information on ordering this chapter, or the entire "California Physician's Legal Handbook" contact:

Publications Section
California Medical Association
P.O.Box 7690
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HEALTHCARE MANAGEMENT INFORMATION: THE KEYSTONE TO MANAGED CARE?

The Ohio Healthcare 2000 Alliance Project*

The key to making sense of the millions of healthcare interactions that happen every day in the United States is to reduce them to manageable data. For decades, everyone from the Pentagon to your local hospital has struggled to continually improve the ability to capture, organize and interpret burgeoning masses of data. If only an accurate picture can be created, then all sorts of decisions can be made about deployment of resources, quality of care and — of undeniable importance — management of costs.

An ambitious project is underway in the state of Ohio to create a system which, if successful, would integrate an astonishing amount of data about virtually every individual in the state who interacts with the healthcare system in any way. Described as “... an open, interoperable, and integrated healthcare information infrastructure for the State of Ohio,” the project, nicknamed H2000, “... will demonstrate the value of collecting, analyzing, and disseminating outcomes performance measurement data to improve healthcare quality and access while reducing the costs of healthcare delivery.”

In a nutshell, H2000 seeks to develop a statewide management information system which will provide interconnectivity among a wide array of existing data systems operated by hospitals, insurers, governmental agencies, community health organizations, employers, health practitioners, consumers and others.

Using data maintained by all these sources, the system would provide “... access to a wide variety of demographic, clinical, and administrative information which can be used to examine population-based health outcomes, to measure healthcare costs and access to care, and to support a wide variety of administrative and operational performance improvement efforts by healthcare providers and payors, while protecting the privacy and confidentiality of the information supplied by consumers, healthcare providers, and payors.”

The roots of H2000 lie in a taskforce formed by the Ohio Manufacturers’ Association in 1992 to recommend strategies for improving healthcare. The OMA taskforce applied for and received a grant from the John A. Hartford Foundation to explore developing a community healthcare management information system. In January 1993, OMA formed the Ohio Corporation for Health Information to plan and implement such a system.

Under Ohio legislation, the corporation teamed up with the Ohio Department of Health and the Ohio Health Care Board to fit the private sector model into a broader state mandate for a public sector healthcare data center and a statewide electronic data interchange network.

Among its goals, H2000 hopes to accomplish:

- Electronic information exchange between healthcare providers, employers, payors, and other entities as a primary basis for improving productivity and patient care management.
- Acquiring meaningful administrative and clinical information from providers, employers and patients, and merging such information into a “blended data set” that provides comparative outcomes performance measurements which can be used by providers, payors, and healthcare services purchasers.
- Developing various specialized databases whose data content is useful to a healthcare related enterprise, payor, etc., to improve the performance, productivity, and quality of their own healthcare business transactions and caregiving processes.
- Ensuring the integrity of healthcare data, so information is accurate, complete, and trustworthy.
- Ensuring the availability of health data so that authorized persons who need information for legitimate healthcare delivery and management purposes have ready access to that data.
- ... defining a comprehensive data confidentiality and privacy protection policy ...

At the time the interim report was issued in February 1995, the project was still in the development phase, but pilot testing is being planned for three hospital sites initially. No date is given in the report for startup.

We believe that cost reduction and high-quality medicine are compatible. . . . Take the immunization of children. We expect the immunization rate of Kaiser Permanente children to be 100%. Our information systems will monitor this for us. By expanding our information system, we reduce paperwork and cost while simultaneously augmenting our quality of care.

Mr. Hillman: “Prepaid group practice has always been an effective way to deliver healthcare. . . . Patients benefit from peer review, payers benefit from cost-effective expense-sharing, and providers have more time to concentrate on what they do best — practice medicine.”

“Most physicians are used to being captains of the ship; they don’t want to relinquish medical decisions to insurers, corporate executives, or other non-medical third parties. And rightly so. The solution is to affiliate with an organization that keeps medical decisions in the hands of physicians.”

“Healthcare purchasers are demanding and getting significant reductions in premiums . . . . The challenge our members face is to increase their efficiency and not let the quality of healthcare suffer.”

“The concern about quality in the prepaid sector is a myth. Studies continue to show that the quality of care. . . . is equal to or better than that provided through fee-for-service plans. In addition, the percentage of Californians enrolling in prepaid health plans is growing by leaps and bounds.”

Mr. Linn: “At Healthcare Partners we have found the need to consolidate into a larger group to (1) derive efficiency through economies of scale and ‘best practice’ techniques, (2) to improve our negotiating position in a consolidating hospital and insurance industry, (3) to support our information and administrative systems infrastructure development, and (4) to provide access to capital to support this infrastructure development and future expansion.”

We believe that physicians prefer to work in organizations that are physician-owned and physician-managed.

“Consumers have always been savvy about healthcare; they just haven’t been as vocal as they are now . . . . In today’s environment, patients will bring issues to their employer, the health plan, and consumer organizations in their attempt to deal with a sense of loss of empowerment and advocacy.”

“When providers are placed at risk for their patients’ health status through capitation, their orientation quickly moves away from illness and toward wellness. Providing appropriate and timely healthcare services is the mantra of any mature managed care group.”

Mr. Moser: “Do we understand the implication of having healthcare delivery dominated by Wall Street? The effects of these trends are substantial, and I think that physicians need to come together in organizations that can represent their interests and those of their patients, and can do that from a base of strength.”

“Reimbursement is decreasing from Medicare, PPOs, HMOs, and indemnity plans. Physicians’ ability to make income from other sources, such as in-house laboratory, radiology, and ownership of joint ventures have been drastically reduced in California. The revenues are under intense pressure, so you have to look at the expenses and how to control them.”

“The patient doesn’t care about the fact that reimbursement is down 10%. They don’t expect their waiting room to be 10% less clean, or their doctor to be 10% less available, or for us to skimp on the quality we provide.”

“This isn’t just a reimbursement issue, it’s a deeper social issue. We have to look at how much HMOs can reduce reimbursement before care is really affected.”

Reprinted with permission. For a reprint of the full article, please contact Editor, LACMA Physician, Los Angeles County Medical Association, 1925 Wilshire Blvd., Los Angeles, CA 90057, and request “The Future of Healthcare,” April 17, 1995.