

MSMA HOUSE OF DELEGATES 2017 Resolution #4

Introduced by: Mississippi Academy of Family Physicians, South Central Medical Society

Subject: Emphasizing Direct Clinical Care in Health Care Spending

Whereas, physician time for direct patient care is essential for positive outcomes; and

Whereas, direct patient care by nurses and other clinical staff is also essential for positive outcomes; and

Whereas, physician time on administrative activity, including electronic health records, prior authorizations, extensive paperwork with medical supplies, complicated insurance requirements for network authorizations, peer to peer requirements for hospital admission approvals, countless requirements for multiple physician signatures for such things as DNR approvals and hospice regulations, and various “quality” charting requirements reduces time available for direct patient care; and

Whereas, multiple studies have shown that physician time on administrative activity has increased in the last 10 years and appears to have accelerated in the last 2 years; and

Whereas, economists assert that labor expenses account for more than half of the \$3.4 trillion spent on American health care each year, with physicians and nurses who are providing the actual hands-on care in our hospitals and clinics accounting for less and less of the pie, with more and more going to billers, coders, data-entry clerks, claims administrators, and other chart reviewers in this ubiquitous insurance game to deny and delay appropriate services on technicalities, prior-authorization, or other fraudulent gimmicks; and

Whereas, while the ACA has added further administrative burdens “to reduce costs,” economists note that there is no money in the health care system to waste and every dollar must be directed towards quality care of the patient; and

Whereas, according to a January 2017 economic report, administrative costs for the American health care system are the highest in the developed world (For 2012, America spent \$631 per capita on health insurance administration. Compare that to Japan, which spent \$54 per capita); and

Whereas, Congress and CMS have established a firm benchmark limit for allowed administrative costs for Medicare Advantage (MA) plans, but do not seem to be enforcing its implementation; and

Whereas, administrative cost limits for MA plans reinforces that most resources should go toward provider payments for direct patient care; and

Whereas, administrative costs for physicians in fee-for-service Medicare is rising rapidly; and

Whereas, that the ever-increasing number of jobs in our health system far removed from direct, hands-on patient care places the quality of our system at significant risk since the system can’t afford these non-clinical jobs because every penny is needed for quality medical care; therefore, be it

Resolved, that our MSMA and through a resolution to the AMA recognize that increasing administrative burdens not related to direct hands on care are sinking our healthcare system and that 85% of all health care expenditures must be required to go only to direct hands-on patient care; and

Resolved, that this resolution includes that the key to health care reform is the prompt elimination of these non-clinical jobs and other such costly administrative burdens and to accomplish this, strict restrictions and penalties should be placed on all insurance companies including CMS and Medicaid if they require or create administrative burdens which require more than 15% of the health care dollar; and

Resolved, that this resolution requests that Congress and CMS shall identify provider administrative costs resulting from Medicare rules and regulations in fee for service payment system and either reduce that burden to the level allowed by MA plans or increase provider payment for any administrative costs greater than 15%, with penalties for exceeding this limitation.