



# Thinking Things Through

by Hadley Callaway, MD, FACS, President, North Carolina Medical Society

Speech given at the 2008 Annual Meeting of NCMS and the conclusion of his presidency

**T**hank you for the honor of serving as your President this year. Your North Carolina Medical Society has a very talented and devoted staff, and they accomplished a great deal.

If someone asks you who we are, tell them that the North Carolina Medical Society is the face of medicine to the public, to the news reporters, and to the legislature. We have eleven thousand five hundred members, including about 65% of all practicing physicians. We have eight hundred new members so far in 2008.

We are a source of healthcare news. Our website gets hundreds of thousands of visits each month. We send a weekly email bulletin to most doctors. We are represented on FaceBook and YouTube. Our physicians are on TV shows. And we have a large annual meeting which we condensed to two days this year to reach more working physicians.

We advocate for patients and their physicians. We have six registered lobbyists on staff. Our members attend the legislature as Doctors of the Day and on White Coat Wednesdays. We have increased MedPac giving this year and started new PACs in several group practices. We have encouraged physicians to take a new role as hosts for political fundraisers in their homes and practices.

This year we took a leading role in fixing the mental health system. Dr. Darlyne Menscer gathered a task force

and made proposals that became the basis for last summer's mental health legislation. Later this fall we hope to reconvene the task force to examine the role of the physician the clinical leader of mental health care systems in our state.

We continued to work on quality. Doctor Larry Cutchin has been representing our Society at the AMA's Physician Consortium for Performance Improvement, which sets national quality standards. Dr. Ed Ermini got all the physician groups and insurers together to work on practical ways to measure and reward quality medical care. Doctor Chuck Wilson and others helped Governor Easley to develop the North Carolina Healthcare Quality Initiative, a government-sponsored entity that will standardize quality measures for our state.

Our Society is now able to certify continuing medical education programs, and we believe we are the first medical society in the country to offer CME credits for documentation of healthcare quality. We continue to monitor the store-based clinics, and had a tough meeting about quality with the national medical director of the Minute Clinic chain. We are working with Blue Cross Blue Shield to resolve problems with radiology preauthorization, and working through their request for an orthopedic quality initiative.

Our Society promotes access to care for the underserved. Next year will be the 10th anniversary of the Community Practitioner Program, which has placed 300 providers in underserved areas of our state. Pledges to the program's endowment have reached sixteen million dollars. The Community Practitioner Program shows that the physicians of our state care first and foremost about people. Another wonderful program is Project Access, a grassroots program

that has spread from county to county to provide free care. This year the thirteenth Access program opened, in Durham County, and an umbrella group was recently formed called the North Carolina Association for Healthcare Access.

The Medical Society produced some reference manuals for physicians this year. Scarlette Gardner spearheaded the writing of a really great Worker's Compensation manual. Scarlette, Melanie Phelps, and Steve Keene revised the Medico-Legal Guidelines, which help protect physicians from unreasonable demands from lawyers.

Our legislative staff protected patients by keeping Medicaid reimbursement at 95% of Medicare. We settled our last managed care lawsuit on favorable terms, with payments from Blue Cross to physicians expected around the end of this year. There is another pending action against Ingenix, a company that produced false estimates of "reasonable and customary charges," which may raise payments to out-of-network physicians.

We will try again, again, and again to get liability reform. This year we got legislation to extend confidentiality to quality programs. This will allow physicians to look at mistakes and improve quality. The Society has also built back the financial reserves that were used in our last legislative effort. We are developing physician supply data so we can show legislators that lawsuits are causing physician shortages in the emergency room, in the delivery room, and in rural areas.

Everyone seems to agree that we are facing a shortage of physicians in North Carolina. The medical schools want to expand in Chapel Hill, Greenville, Asheville and Charlotte. We support medical school expansion, but think it would be a lot cheaper to ➡

reform the medical malpractice lottery system and attract new doctors like Texas has done. Also, we deserve annual state funding of the Community Practitioner Program, which keeps physicians in the state better than other programs.

Now we should talk about scope of practice issues. In this day of internet self-education, a lot of people want to become doctors without going to medical school. How can we defend our profession? We have to justify the importance of conventional medical training. We have to show that other pathways to knowledge and experience are inadequate. We also need to decide what essential elements of medical

practice should be protected at all costs. After working with the Medical Society I have seen that every new group that wants to practice medicine starts off saying they want to improve quality and access by creating a new licensing board. A few years later they reveal the real agenda, which is to gain independent practice and more money. This year our Society worked with the obstetricians to maintain the qualifications and supervision of midwives. We could not get agreement from naturopaths to

be governed by the medical board. We will protect the ability of physicians to employ physical therapists. And we are studying the potential effect of licensure of prosthetists and orthotists.

For several years our Medical Society has been working for with the ophthalmologists to prevent non-physicians from performing eye injections and procedures. We hope next session to insert a definition of eye surgery into the optometric practice act. Whatever your specialty, please ask your specialty society to support the ophthalmologists in this effort to protect patients. If we stick together as the house of medicine

we will stand strong and end this long-festering problem.

Here is a big issue we worked on this year: changes at the Medical Board. As you probably heard, a plaintiff's lawyer sued the Medical Board last year and forced a change in the nomination process. The Medical Society used to make most of the nominations. Now several medical societies nominate people to a review panel, which in turn makes nominations for the Medical Board. We spent a lot of time making sure this complicated arrangement worked properly. Even after a year's work it still needs adjustments.

We also spent a lot of time arguing with the Medical Board about what they

Now in my simple illustration, the red settlements are those clearly below the standard of care where public disciplinary action was taken. The yellow settlements are those minor or borderline violations where a private letter of concern was sent. The green settlements did not involve any care problems and had no punishment. It is as though the Board is telling patients "stop," "be careful" or "go" about the doctors, like a stoplight tells drivers.

Well the Medical Board has written rules to post all the settlements together on the website. The red settlements will be given a separate notation, but there will be nothing to distinguish the yellow from the green settlements. This means

the public will not be able to tell the yellow doctors from green ones.

Your Society has advocated for this alternative. We believe the green doctors, who were cleared from wrongdoing by the medical board, should be left off the website. Then patients could see the red and yellow doctors, and be warned.

Why won't the Medical Board tell the public who is yellow and who is green?

Because they know

no doctor will accept yellow without a time-consuming and expensive hearing at the Board. We know this will be a lot of work for the Board, but physicians, patients and the public rely on the Board to make these judgments. The Medical Society is only asking the Board to do its job, judge the cases, and then make stand by their conclusions.

Therefore, your Society wants to protect the public by exposing the reds and yellows while protecting the greens. Once cleared by the Board's own review process, the green physicians should not be punished by posting on the web. It [Continued on page 15]



should post on their website about medical malpractice settlements. For years the Medical Board has been reviewing all malpractice settlements and dividing them into three categories according to the quality of care. If the doctor clearly violated the standard of care, public disciplinary action was taken. If the doctor made a minor or borderline violation of the standard of care, a private letter of concern was sent. This was a sternly worded letter saying "don't do it again because we are watching you." The third group of settlements did not involve a violation of the standard of care, and the Board took no action.

appreciate the intricacies of the human body and opened the door to his faith in God, the Creator. Throughout his life, Ike observed many miracles, both in his practice as well as his family. Ike took pains to incorporate his faith into his practice of medicine. Speaking to various medical societies about “spirituality in the surgical practice,” Ike described his special effort to create in his office a healing environment. In his talk, he explained his purpose was not to proselytize but to remove barriers and to begin the healing process. Dr. Manly was blessed to have Pat Nelson, RN and Jeanne Poole, RN, BSN by his side for 25 years, offering compassion and counting the patient’s needs above all else.

Following his retirement in 1995, Ike joined Peggy in leading the Cornerstone Bible Study, which she started in the late sixties at St. Michael’s Episcopal Church. Ike considers his greatest achievement to be the author of “God Made,” an examination of God’s creation for the scientific community. A second book, “Slaying the Dragon of Evolution,” formatted the material for individual or group study. Peggy and Ike have both enjoyed speaking to various groups about their faith.

Looking back over his many years in medicine, Ike once said, “In my early career I wanted to make a patient as good as he was before--later I wanted to make him better.” §

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is appropriate for the Board’s review process to be careful, time-consuming, and definitive.

We expect legislation to revise the web posting rules in the 2009 legislative session. Please help your patients and the legislature understand our position on this complex yet important issue.

You may be relieved to know that I have reached the final topic in my speech. Here it goes. The North Carolina Medical Society has taken a renewed interest in relationships between hospitals and physicians. As you may have noticed, hospitals are buying physician practices again. In some urban areas, almost every primary care physician and many specialists are employed by the hospitals. The Medical Society is adapting in two ways: by doubling its efforts to assist employed physicians and by working to maintain the viability of private practice.

In today’s fragmented medical system, many physicians are happy to join hospital employment. The hospital can subsidize physician salaries, limit work hours, and reduce the need to cultivate a practice. Hospital employment makes it easier to move from town to town. And after all, patients are used to changing doctors from year to year.

Those of us in private practice however believe it has special benefits for the community. A private practice physician cultivates his patients one-by-one and tends to stay in the same community for an entire career. Perhaps he has a special bond with his patients. Some of us use the analogy of car mechanics, wherein the best mechanics want to

own their own shops rather than work for the dealer. But after thinking about all this, I believe the main reason that we all should want to preserve private practice is to maintain an alternative to hospital employment. If we don’t preserve the option for private practice, then we will all be at the mercy of the hospitals.

So how can we preserve the option for private practice? I believe we need to move all physicians up the economic ladder. That means primary care doctors need to offer x-rays and physical therapy. Surgeons need to do in-office surgery. You get the idea. This means we will all need to work with each other to resolve conflicts among specialties and with the hospitals.

Along these lines, the Medical Society is working to establish expertise in three areas: Medical Staff Independence, Facility Regulation, and Physician-Hospital Joint Ventures.

First, it is essential that physicians maintain independence of their Medical Staff. The Medical Staff governs the quality of hospital care, whereas the hospital administration worries about the financial bottom line. Naturally there is some overlap and inevitable conflict between the two goals. To maintain independence the Medical Staff should control its own agenda, funds, and legal advice. It should protect against hospital-controlled physicians on the medical executive committee and the peer review process. It should ensure due process in credentialing and peer-review. The North Carolina Medical Society will become

a valuable resource to hospital Medical Staffs in the future.

The Medical Society also seeks fairness in healthcare facility regulation. The Society monitors the activity of state agencies such as the Medical Care Commission, the State Health Coordinating Council, and the Division of Healthcare Facilities Regulation.

Finally, the Medical Society is developing expertise in the physician-hospital joint venture. We feel that physicians should be able to enter business arrangements with hospitals. This would represent the middle ground between private practice and hospital employment. A joint venture would align physicians and hospitals on a common mission to provide excellent patient care. However, physicians don’t ordinarily have access to the legal expertise required for a joint venture. Hospitals use our ignorance to avoid making deals. The North Carolina Medical Society is taking steps to bring the needed legal expertise to our doctors. The legal environment can work for the doctors instead of against them.

In closing, I would like to emphasize that we are all doctors caring for patients in the same way, no matter who signs our paycheck. Remember that no hospital ever cured a patient. It is the physicians working in the trenches that cure patients—so physicians need to stand together and support each other whether they are employed by the hospital or not.

Thank you again for the honor of serving as your President. §