

May 10, 2017

Industrial Commission of Arizona
Attn: Jacqueline Kurth
Manager Medical Resources Office
800 W. Washington Ave Suite 305
Phoenix, AZ 85007-2922

Re: ICA Physicians Fee Schedule 2017-2018

Dear Commissioners:

Having heard the comments at the open hearing on April 27, 2017, I would like to comment on several items that were discussed. I would also like to make comment on the proposed Staff Recommendations for the ICA Fee Schedule.

First, I would like to address that I approve of the ICA moving to an RBRVS type of system. I know that the process of reviewing codes and fees for the commission has been burdensome over the years. I also understand the need for tracking data that is used for healthcare statistics to be the same amongst payers. However, I do not understand why the commission would propose such a low conversion factor rate.

Chairman Schultz made a statement during the open hearing that he had hoped lowering the reimbursement to providers to a Medicare type rate would encourage physicians to treat injured workers. That statement couldn't be any farther from the truth. Physicians are leaving their participation with Medicare by the hundreds. The enormous mounds of bureaucracy coupled with the poor reimbursement rate has caused a flood of physicians to either leave medicine by retiring early or limit the amount of Medicare patients that they treat. There is currently a shortage nationwide of Medicare providers and the situation is getting worse not better with the requirement of MIPS and MACRA. Below are excerpts from several articles on the subject for the commission to review.

<http://www.zerohedge.com/news/2016-10-23/risk-mass-exodus-doctors-medicare-looms>

"This is cause for real concern. If faced with increased reporting and administrative burdens, declining reimbursements and new payment arrangements that put their income at risk, many doctors - especially independent practitioners - may feel that they simply can't afford to participate in Medicare any more. One recent survey of physicians found nearly 40-percent expect a "mass exodus" from Medicare over MACRA. Given the predicted shortage of doctors over the next decade and an aging population, this would be **disastrous**".

<https://www.fool.com/retirement/2016/11/06/200000-doctors-turning-away-new-medicare-patients.aspx>

“ 200,000 Doctors Turning Away New Medicare Patients? Here's How It Impacts You
Many physicians are saying they'll quit taking new Medicare patients or leave the program altogether. Why -- and what could it mean for many Americans?”

<http://healthblog.ncpa.org/one-in-five-doctors-say-no-new-medicare-patients/#sthash.yvdhWE0d.dpbs>

“One In Five Doctors Say: “No New Medicare Patients” –

“Nevertheless, even this level of detail indicates baby boomers aging in to Medicare will have increasingly difficult access to care. The idea of premium support (whereby Medicare beneficiaries receive subsidies to choose lightly regulated private plans), which NCPA advocates, should become more politically acceptable – if not unavoidable -”

These are but a few of the many articles that clearly show the fate of Medicare and the ICA if they choose to continue this same path. The question would then need to be asked as to why the ICA would want to follow in Medicare's footsteps. The ICA was a model system emulated and admired by other states. Understanding that the system needs to evolve and move forward with adjustments is fine, but to propose such a drastic change, to imitate a fragmented and broken Medicare program will only create the same economic and administrative pitfalls.

Additionally, if the commission adds to the decrease of reimbursement an additional 10% for participating in any **referral generated** PPO networks, an economic crisis will occur. Having worked with the commission and physicians treating injured workers in this state for the past 18 years, I can assure you that if the commission approves the current conversion rate along with an additional 10% network discount, physicians will have no choice but to discontinue treating ICA patients.

Lastly, it would be wrong not to offer to the commission a resolution to this matter. I do support the position of the Arizona Medical Associations recommendation of a 5% decrease/increase stop gap for years 1-3 and the disbanding of any additional discounts by any PPO networks. This will insure qualified providers to continue to treat all of Arizona's injured workers.

Respectfully submitted

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