Plan B

by Lee E. Mortenson, DPA

No, that's not Medicare Part B, that's *Plan B*—as in what you do if *Plan A* doesn't work.

Over the last few months, you'd have to be deaf not to hear the uproar from physicians who are concerned that as of Jan. 1, 2005, things at their practices are not going to look all that great. Clearly the big organizations focused on medical oncology physician practices (that's ASCO, COA and USON) are all attempting to figure out what—if anything—can be done to derail the express train that took off in Dec. 2003 with the passage of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA). It's a train that gives medical oncologists close to full funding during 2004, switching practice margins away from drugs and into practice expense, then takes away the 32 percent practice expense increase on New Year's Day 2005.

Without a doubt, many small practices will be severely damaged by this move. In fact, it is likely that the *full* spectrum of oncology practices will be put in financial jeopardy. Of course, the folks up on Capitol Hill are betting that this isn't going to be the case—the same way they bet it wasn't going to be the case with home health and the skilled nursing facilities a few years ago. It doesn't take a rocket scientist to figure out that a hit this big is going to push some inefficient practices to the brink, if not over it.

Plan A is clearly to stop the train before impact. But all estimates show that likelihood is small. Congressional commentators at ACCC's recent Presidents' Retreat told participants "they couldn't see how a fix would be implemented by the Hill this year." Moreover, they pointed out that some of the actions taken by oncology representatives burned a lot of bridges last year and that the burning continues. Not good news for a rapid fix, even after the blaze is tamped down.

To make matters worse, the flailing is now being directed at pharmaceutical company representatives who are having their ears and other body parts bent by physicians who want money for lobbying, something that the pharmaceutical guys just can't and won't do. So, lots of anguish (understandably) and not much likelihood of a good result for *Plan A*.

So what is *Plan B*? Well, it's how practices are going to survive and take care of their patients if *Plan A* doesn't work. To assume there is going to be a "miracle" save and not begin to talk about, analyze, and research other options is a disservice to both patients and practice members.

So, you need to start asking some serious questions. Can your practice be more efficient? What would it really take for your practice to survive? How many of your private payer or managed care contracts are indexed to Medicare drug pricing and how soon will they roll over? How long can you survive if there is not an immediate fix?

The home health and skilled nursing industries both lost about one-third of their providers in the miscalculations of yesteryear. Pray for *Plan A*, work for it—but *do not* neglect *Plan B*. There are going to be some tough choices to make if *Plan A* doesn't work. If you start now, you'll have some thoughtful responses *when and if* the time comes.