

SAN DIEGO COUNTY MEDICAL SOCIETY

**2003
ANNUAL REPORT TO MEMBERS**

RETURNING SATISFACTION TO THE PRACTICE OF MEDICINE FOR MEMBER PHYSICIANS AND THEIR PATIENTS



SDCMS 2003 ANNUAL REPORT TO MEMBERS

“Returning satisfaction to the practice of medicine for member physicians.”



2002 SDCMS EXECUTIVE COMMITTEE

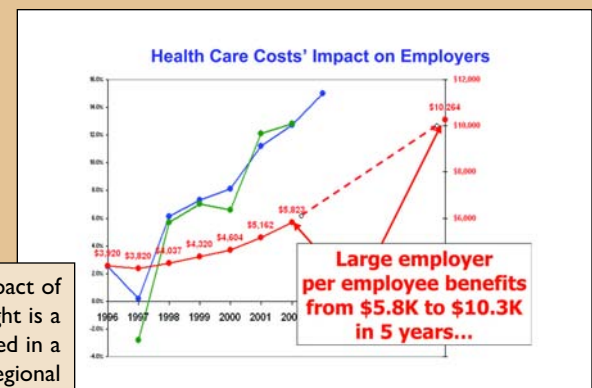
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EXECUTIVE DIRECTOR: TOM GEHRING

2003 PHYSICIAN CITIZEN OF THE YEAR: **LEE RICKMAN, MD**
2003 PHYSICIAN MEMBER OF THE YEAR: **JIM HAY, MD**

FINANCING OF HEALTHCARE

With health insurance premium increases in the double digits again in 2003 and with more and more employers nationwide turning most of those increases over to their employees, many employers (if they hadn't already) began to explore options for reducing benefits. SDCMS, led by President James Knight, MD, capitalized on this trend in 2003 to reach out to San Diego business leaders and healthcare stakeholders to explain the benefits of consumer-directed healthcare — an integral part of SDCMS' agenda in 2003. Dr. Knight as well authored several articles published in area newspapers, including “Spending other people's money on health care” and “It's time for us to take our medicine,” appearing in *The San Diego Union-Tribune*, and “The Right Prescription for What Ails San Diego Business,” appearing in the *San Diego Business Journal*.

In 2003 SDCMS continued to study the impact of rising healthcare costs on employers. At right is a graph representing those increases included in a presentation made to the San Diego Regional Chamber of Commerce.



ACCESS TO HEALTHCARE

COVER THE UNINSURED WEEK

SDCMS, along with a diverse group of national organizations, cosponsored “Cover the Uninsured Week,” an unprecedented, weeklong series of events that took place March 10–16, 2003, highlighting the depth, breadth, and impact of the uninsured problem in San Diego County. With approximately 11 million California residents under 65 years of age (35.5%) uninsured at sometime in 2001–2002, and with more than 400,000 San Diegans without medical insurance coverage in 2003, access to healthcare continues to be an integral part of the SDCMS agenda.

LANGUAGE ACCESS

SDCMS Secretary Theodore Mazer, MD, continued to represent SDCMS in 2003 in a collaborative of 25 physician and medical organizations from across the state with the California Endowment's Medical Leadership Council for Language Access, addressing access concerns for patients with limited English proficiency. SDCMS' July/August 2003 issue of *San Diego Physician* examined as its cover feature the debates surrounding limited-English-proficient patients and the obligations, both ethical and legal, physicians have toward them.

UPCOMING PHYSICIAN SHORTAGE

SDCMS continued its study of the impending San Diego County physician shortage by conducting a survey of San Diego County physicians in 2003 to gauge their future practice plans. The survey data confirmed what SDCMS found in its *2002 Physician Workforce Survey*, namely that nearly 30% of San Diego County physicians plan to leave the practice of medicine within three to five years. As well, SDCMS was instrumental in getting several leading area publications to cover this issue in 2003, including *The San Diego Union-Tribune* and *San Diego Magazine*. SDCMS remains committed to tracking San Diego physician workforce trends and to relating its findings and its suggestions for how to address the issue to its members and regional media and healthcare stakeholders.

QUALITY OF HEALTHCARE

SAN DIEGO MEDICAL INFORMATION NETWORK EXCHANGE (SD MINE)

SDCMS launched an initiative in 2003 to give medicine in San Diego County the same level of connectivity that the banking industry uses. SD MINE's working mission is to help physicians and hospitals countywide improve their workflow, decrease administrative expenses, and improve the quality of care for their patients. Most important is the ability for physicians with limited technologic capabilities to interface countywide at minimal cost. SD MINE is slated to be operational in early 2004.

PHYSICIAN WORKFORCE

2003 SDCMS PHYSICIAN COMPENSATION SURVEY

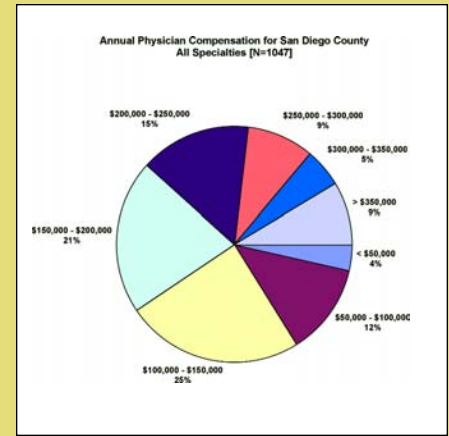
SDCMS conducted a survey of San Diego County physicians in 2003 to gauge both their compensation and their future practice plans. Physicians were asked — in strict confidence — for their annual compensation, their hours spent in patient care per week, their plans for the next three to five years, their specialties, and further demographic information. The survey data confirmed what SDCMS found in its *2002 Physician Workforce Survey*, namely that nearly 30% of San Diego County physicians plan to leave the practice of medicine within three to five years. To obtain the executive summary of the *2003 SDCMS Physician Compensation Survey* or any of its breakout findings by specialty, email Tom Gehring at gehring@sdcms.org.

PHYSICIAN-TO-POPULATION RATIOS IN SAN DIEGO COUNTY STUDY

While more physicians appear to be leaving San Diego County and fewer new physicians are coming, the medical needs of San Diego County will continue to increase. As a result, an increasing disparity will exist in San Diego communities, and certain areas and specialties will be affected more than others. The initiative to find San Diego County's current and future physician-to-population ratios is an important one. This study, conducted in the summer of 2003, examines the current physician status in seven regions of San Diego and uses the *2002 SDCMS Physician Workforce Survey* results to predict the future physician supply of San Diego County as a whole. For the complete study, see the November/December 2003 issue of *San Diego Physician*.

EMERGENCY BACK-UP CALL

As part of SDCMS' evaluation of emergency department back-up call — emergency care that most directly affects the practicing physician — SDCMS interviewed sixteen physicians that serve as the medical directors of San Diego's nineteen acute care emergency departments. Almost all of the medical directors foresaw a worsening of the back-up call situation over the next five years. For the complete study, see the November/December 2003 issue of *San Diego Physician*.



POLITICAL ADVOCACY

CMA BLOCKS MEDI-CAL CUT

A preliminary injunction was granted in late December 2003 in the lawsuit filed by CMA and other plaintiffs to stop the 5% Medi-Cal rate cut that was set to go into effect on January 1, 2004.

CMA'S RICO LAWSUIT

In 2003 Aetna and Cigna agreed to cease and desist their unfair managed care practices, a decision that holds the prospect of an enormous monetary benefit to physicians. The RICO lawsuit ("Racketeer Influenced and Corrupt Organizations" Act), took off when CMA in May of 2000 became the first medical association to join individually named plaintiffs, alleging that the for-profit HMO defendants violated federal law by using coercive, unfair, and fraudulent means to control physician-patient relationships. Aetna's and Cigna's settlements foretell the beginning of the end of managed care as we know it — a huge success for CMA and organized medicine!



MICRA DEFENSE

Many organizations, spearheaded by the trial lawyers, want to weaken, if not overturn, MICRA. CMA legal advocacy prevailed in *Palmer vs. Sharp Rees-Stealy Medical Group* and the attempt to define medical groups as not qualifying as "healthcare providers" under the law and as such as not being protected by MICRA. At the CMA House of Delegates meeting, SDCMS leadership presented a check to CALPAC for \$58,000 to protect MICRA, monies that were a direct result

of SDCMS' "Buck a Week" program to ensure the trial lawyers do not destroy MICRA and as a result raise our malpractice rates. In addition, SDCMS was recognized for having the highest CALPAC participation rate of any California county!



CMA LEGISLATIVE DAY

Legislative Day on April 30, 2003 in Sacramento included a physician march on the Capitol, attended by over two dozen SDCMS members representing your concerns! CMA and eleven co-sponsoring organizations joined with patients and other health consumer groups to fight the "perfect storm" in healthcare.

HERTZKA FOR CMA PRESIDENT!

SDCMS Past President Bob Hertzka, MD, was elected president-elect of CMA at the CMA House of Delegates. From his acceptance speech: "I say YES to a focus on the issues that unite us and YES to the strength that we draw from the passion of our debates and the diversity of our ideas!"



TRIPPLICATE PRESCRIPTIONS WIN

Highlights of this Treatment and Drug Diversion Act of 2003 include:

- The elimination of the requirement that Schedule II controlled substances prescriptions be written on triplicate forms —

effective 07/01/04;

- Prescriptions may be written either on the triplicate or the new forgery-resistant "security forms" between 07/01/04 and 01/01/05;
- Prescribers of Schedule II controlled substances must meet the same prescription requirements imposed with respect to other controlled substances that may be prescribed effective 01/01/05.

REGULATORY WIN

Health plans now have to pay capitation from the date of an employee's enrolling rather than from when the patient first selects or is seen by his or her primary care physician. This ends one of the great HMO rip offs of doctors ... again, the result of SDCMS/CMA advocacy efforts!

SCOPE OF PRACTICE WIN

SDCMS/CMA's hard work either killed or significantly limited efforts by naturopaths, podiatrists, acupuncturists, physical therapists, psychologists, and nurse practitioners to expand their scopes of practice in 2003!

CONTINUITY OF CARE WIN

SDCMS/CMA stopped a bill that would have required continuity of care (100% uncompensated!) for six months after a medical group's going bankrupt.

NETWORK LEASING WIN

As a direct result of SDCMS/CMA efforts, the Legislature eliminated the egregious nature of health plans' "renting" their physicians to other plans, which often paid less than the contracted rate the physician agreed to with the first plan.

ECONOMIC / PRACTICE MANAGEMENT ADVOCACY

HIPAA SEMINARS

Responding to the privacy deadline of April 14, 2003, SDCMS offered three "HIPAA for Procrastinators" seminars free to its members in 2003.

REIMBURSEMENT ADVOCACY SEMINARS

In 2003 SDCMS pushed reimbursement advocacy, defined as advocacy at the individual physician level that provides a direct monetary return to individual physicians. SDCMS significantly increased its ability to provide reimbursement advocacy by (within San Diego County) involving knowledgeable physicians and private partners and (outside San Diego County) creating potential partnerships with other county medical societies as well as CMA. In the fall of 2003, SDCMS offered two free seminars to members — "How to Really Get Paid for What You Do!" — one at Scripps Mercy Hospital and one at Tri-City Hospital.

4.4% MEDICARE CUT CHANGED TO 1.6% INCREASE

This was a homerun for organized medicine! The 1.6% Medicare increase, which went into effect March 1, 2003, averages over \$4,000 dollars per physician per year. The differential for the average California physician between the proposed cuts and the actual raise is over \$15,000 a year. Your SDCMS/CMA advocacy dollars got results!

OFFICE MANAGERS' FORUMS

SDCMS continued to reach out to its members' office managers in 2003, convening regular Office Manager Forums that focus on various topics, including "Medical records: The Employee's Responsibility" and "Medical Personnel Compensation." These forums are an occasion for your office managers to network, commiserate, and learn some new tools and techniques — free of charge!

"OFFICE OF THE FUTURE"

SDCMS, in partnership with Physician Sales and Service (PSS), hosted a Medical Practice Symposium on October 17, 2003, a technology and product fair featuring seven seminars, an exhibit hall, and an "Office of the Future." The symposium was well attended with over 250 physicians, office managers, and



other office staff as well as over 60 participating vendors. KNSD 7/39, KGTV Channel 10, and KUSI 9/51 all broadcast stories, including interviews and visuals from the symposium floor.

SDCMS President-elect Eddie Canada, MD, gives an interview at the December 2, 2003 Medical Practice Symposium.



CMA EMERGENCY CARE INITIATIVE (CPEC)

CMA and the Coalition to Preserve Emergency Care (CPEC) began fundraising efforts to support the 2004 Trauma and Emergency Care Initiative, popularly known as CPEC. The initiative promises to bring \$16 million to San Diego physicians! If you would like to make a contribution — and we highly encourage you to do so — please send it to CMA's Physicians' Issues Committee at 1201 J Street, Suite 200 / Sacramento, CA 95814 or call CMA at (916) 444-5532.

COMMUNITY OUTREACH

REACHING OUT TO THE MILITARY

SDCMS in 2003 instituted a new SDCMS/CMA \$100 military membership option and will continue to work to increase its membership among the area's military corps.

REACHING OUT TO SAN DIEGO COUNTY PHYSICIANS

SDCMS was invited to speak at the Tri-City semi-annual staff meeting thanks to the good offices of their chief of staff, SDCMS member Andy Heinle, MD. As well, Under the auspices of SDCMS Past President Ed Singer, MD, SDCMS Councilor Ben Medina, MD, and SDCMS President James Knight, MD, SDCMS had a very successful Town Hall in South Bay with over 30 SDCMS member and non-member physicians attending. The Town Hall was designed for SDCMS leadership to hear the concerns of South Bay physicians as well as for SDCMS leadership to let those physicians know what organized medicine is doing on their behalf. Additional Town Halls were held around the county throughout the year.

REACHING OUT TO UCSD

At the suggestion of Cecilia Smith, MD, UCSD director of residency training, SDCMS leadership, including President James Knight, MD, had a productive introductory meeting with Tom MacAfee, MD, UCSD's chief physician. Discussions centered around a broad range of topics of mutual benefit but focused on how to bring SDCMS and UCSD closer together.

REACHING OUT TO UCSD MEDICAL STUDENTS

SDCMS leadership presented to first-year UCSD medical students what they can expect to see when they complete their residency training, examining the inevitable collision of the supply/demand world and the ethics/philosophy of medicine.

REACHING OUT TO THE SAN DIEGO REGIONAL CHAMBER OF COMMERCE

Two years ago, under the leadership of Bob Hertzka, MD, the SDRCOOC created a PowerPoint presentation on healthcare that was used throughout the San Diego landscape to wake up the community to the crisis in healthcare. SDCMS Executive Director Tom Gehring has developed the second generation of that presentation, presenting the final product to the full Health Care Committee and the full SDRCOOC Board.

REACHING OUT TO THE SAN DIEGO COUNTY HEALTH SERVICES ADVISORY BOARD

Bob Hertzka, MD, "retired" as the chair of the county's Health Services Advisory Board. SDCMS member and incoming president of the San Diego Psychiatric Society, John Allen, MD, was voted as the vice chair. SDCMS leadership attended meetings in 2003 and will continue to do so in 2004 to represent the physician position to the principal advisory board to the Board of Supervisors on health matters. Bob has done a marvelous job in his years of leadership on this panel to make sure the decisions made at the county are physician friendly.

REACHING OUT TO KPBS

SDCMS leadership, including Past President (1985) John Berger, MD, met with the general manager of KPBS to explore how to pool the KPBS contributions of SDCMS members to increase our footprint with San Diego's public TV/radio station.

REACHING OUT TO THE HEALTHCARE ASSOCIATION OF SAN DIEGO AND IMPERIAL COUNTY (HASDIC)

SDCMS continues to sit on the HASDIC board as an ex-officio member. As always, we will never agree on everything, but what we can agree on we should work together on.

COMMUNICATIONS

The following op-ed pieces appearing in regional newspapers in 2003 were penned by SDCMS leadership:

Spending other people's money on health care

BY JAMES KNIGHT, MD, PRESIDENT, SDCMS
— APPEARING OCTOBER 22 IN THE SAN DIEGO UNION-TRIBUNE

How to Fix State's Kafka-esque Workers' Comp System

JAMES GRISOLÍA, MD, CHAIR, SDCMS COMMUNICATIONS COMMISSION
— APPEARING JUNE 2 IN THE SAN DIEGO BUSINESS JOURNAL

The Right Prescription for What Ails San Diego Business

JAMES KNIGHT, MD, PRESIDENT, SDCMS
— APPEARING APRIL 14 IN THE SAN DIEGO BUSINESS JOURNAL

It's time for us to take our medicine

JAMES KNIGHT, MD, PRESIDENT, SDCMS
— APPEARING APRIL 13 IN THE SAN DIEGO UNION-TRIBUNE

How San Diego Would React to a Smallpox Threat

JAMES KNIGHT, MD, PRESIDENT, SDCMS &
JOHN HILL, DIRECTOR OF DISASTER PREPAREDNESS, SDCMS
— APPEARING FEBRUARY 24 IN THE SAN DIEGO BUSINESS JOURNAL

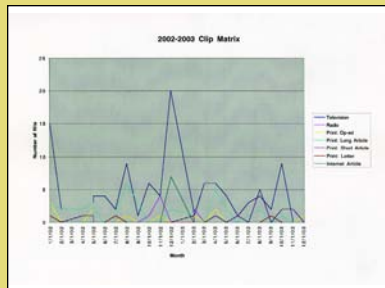
State medical-malpractice law works

ROBERT HERTZKA, MD, PRESIDENT-ELECT, CMA, PAST PRESIDENT, SDCMS
— APPEARING FEBRUARY 21 IN THE SAN DIEGO UNION-TRIBUNE

SDCMS was used as a primary resource in 2003 in newspaper, television and radio stories covering:

- SARS
- Choosing a doctor
- The emotional effects of the fall fires
- The tight blood supply
- Hospital efficiency
- The San Diego County physician workforce
- The West Nile Virus
- Medi-Cal
- Workers' Compensation
- The Aetna and Cigna RICO Settlements
- Employer-funded health insurance
- HIPAA & patient privacy
- The smallpox threat
- Medical malpractice insurance
- Flu
- Rising healthcare costs
- Genetic privacy
- The return of silicone breast implants
- The Medical Board of California and disciplinary procedures
- Proposition 54 and racial profiling
- Treating addiction
- Lasik

The voice of SDCMS — *your voice* — continued to be heard both in print and broadcast media in 2003. SDCMS is fast gaining a solid reputation in the region and in the state as *the go-to* resource for expert opinion on all healthcare topics. SDCMS leaders have either penned or been interviewed for stories appearing in all media across the county, including *The San Diego Union-Tribune*, *San Diego Business Journal*, *San Diego Magazine*, *San Diego Daily Transcript*, *Navy Dispatch*, smaller print publications throughout the county, KNSD, KGTV, XETV, KBNT, KFMB, and KPBS. To the right is a graph representing SDCMS' voice in area media in 2002–03.



DISASTER PREPAREDNESS

Ever since 9/11 and the anthrax attacks later that fall, SDCMS has become deeply involved in numerous disaster preparedness initiatives throughout the county, including several noteworthy accomplishments in 2003:

TRAINING ASSESSMENT

One of the first things the Council of Community Clinics/SDCMS bioterror collaborative did was to conduct a training assessment of independent physicians and clinic providers to determine what information was most wanted and needed. The results of the assessment were then used to develop the curriculum for a one-day training seminar that was presented in January 2003.

DATABASE

Throughout 2003, SDCMS built a multi-functional database of over 7,000 active and retired physicians in San Diego County, allowing SDCMS to rapidly contact physicians in the event of an emergency and to pass on critical, time-sensitive information about the emergency or, if needed, to solicit volunteers needed to assist the Public Health Officer at treatment sites or mass prophylaxis clinics.

DSW VOLUNTEER PROGRAM

In parallel with the database development, SDCMS has been intimately involved with the development of the San Diego County Office of Emergency Services Disaster Service Worker (DSW) volunteer program. SDCMS has partnered with the San Diego Health and Human Services Agency to develop a recruitment and marketing plan to increase the number of volunteers in the DSW program. Physicians, nurses, physicians' assistants, pharmacists, and other clinical professionals are being recruited for the program.

SMALLPOX VACCINATIONS

SDCMS teamed with the County Public Health Services Department to help educate physicians about the Federal Smallpox Vaccination Program.

FURTHER TRAINING

SDCMS Director of Disaster Preparedness John Hill attended the week-long Strategic National Stockpile (formerly the National Pharmaceutical Stockpile) training course in Anniston, Alabama with two members of the County's bioterror division. There they learned what the stockpile contains, how the program is deployed nationally in an emergency, and received recommendations from CDC experts on how to prepare locally for the arrival of the stockpile in San Diego.

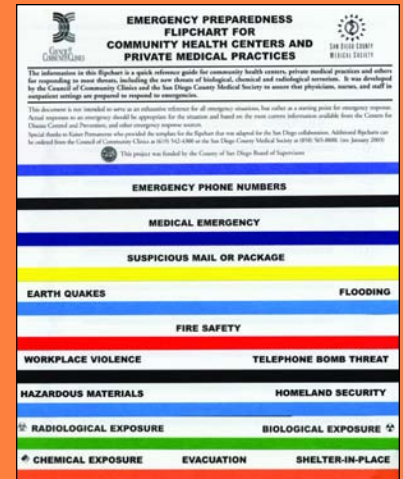
COUNTY MASS PROPHYLAXIS PLAN

SDCMS has been very involved in assisting with the development of the County Mass Prophylaxis Plan.

COMMUNICATING THE BIOTERROR PREPAREDNESS MESSAGE

In 2003, SDCMS produced a variety of informational resources and distributed them to physicians throughout the county. In March 2003 SDCMS sent

a the "Bioterrorism Syndromes" poster, a postable sheet entitled "Bioterrorism: Key Roles for the San Diego Physician," an emergency contact information sheet, a Disaster Service Worker information pamphlet, and a DSW registration form to most physicians in the county. In June SDCMS distributed an emergency preparedness flipchart for community health centers and private medical practices (above graphic) to over 6,000 physicians.



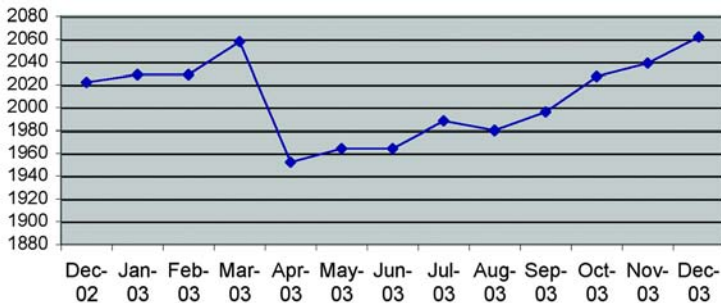
SDCMS MEMBERSHIP / FINANCES

SDCMS MEMBERSHIP

In these tough economic times, it may very well be SDCMS' greatest accomplishment not only to have maintained its membership numbers over the past year but to have, in fact, grown that number! At the close of 2003, SDCMS represents 2062 practicing physicians in San Diego County, an increase over the previous year of 40 physicians — an impressive feat when comparing that number to those of other California medical societies!

A look at SDCMS' membership increases for 2002 and 2003.

Active Member Comparison for 2002-2003



As well, in 2003 Southern California Permanente Medical Group extended its membership contract with SDCMS for an additional three years. The signing of this contract guarantees the continued membership of the nearly 200 current Permanente physicians through 2006. The growing number of Permanente physicians strengthens the unified voice of the Medical Society in the San Diego community.

SDCMS FINANCIALS

2003 was the second year in a row that SDCMS was able to remain in the black! Add that to growing investment returns and a steady increase in membership numbers and SDCMS' financial outlook continues to look positive for future growth!

SARS SYMPOSIUM

On December 2, 2003 the SDCMS GERM Commission, behind the leadership of Chair Dr. Gonzalo Ballon-Landa, presented a SARS Symposium at the Mission Valley Hilton in San Diego. The evening was an outstanding success, with over 210 physicians, nurses, and other medical professionals in attendance.

Dr. Allison McGeer, a microbiologist at the Mount Sinai Hospital in Toronto, gave an excellent review of the outbreak in Toronto, highlighting the epidemiology and transmission of the disease and the infection control measures taken at Toronto's area hospitals to stop the spread of the disease.

The night's other speaker was Dr. Arjun Srinivasan, a medical epidemiologist with the Division of Healthcare Quality Promotion at the Centers for Disease Control and Prevention. Dr. Srinivasan presented the history of SARS from a worldwide prospective, including clinical features and laboratory diagnostics. He concluded by discussing the keys to preparedness and response that healthcare facilities will need to address in controlling future possible outbreaks. SDCMS would like to thank Drs. Gonzalo Ballon-Landa and Raymond Chinn for their hard work in making this event possible!



SDCMS President Jim Knight, MD, opens the SDCMS GERM Commission SARS Symposium in December 2003.

INFRASTRUCTURE

SDCMS DATABASE

The SDCMS member database is in great shape! SDCMS is methodically polishing and sharpening the non-member portion of the database. We've also received the CMA database (which incorporates Medical Board of California information) and will thread that data into our database — critical to our ability to reach out and touch all physicians in San Diego County.

SDCMS VIDEO TELECONFERENCING CENTER (VTC)

SDCMS installed a video teleconferencing center in its offices, significantly reducing the travel (and costs) required of San Diego CMA leaders as well as SDCMS staff. SDCMS offers this service to its members at significantly discounted rates.

NEW SDCMS WEBSITE

SDCMS, after an exhaustive, year-long search, chose a well-known area website developer in 2003 to completely redesign its website. The newly redesigned website will be completed in 2004 and promises to propel SDCMS into the twenty-first century, in fact, well ahead of every other medical society website anywhere in the United States both in terms of functionality and design! All this at significantly discounted costs due to shrewd negotiations on the part of SDCMS leadership and staff.

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