

CALIFORNIA ASSOCIATION OF NEUROLOGICAL SURGEONS, INC. NEWSLETTER

FEBRUARY 1981

VOL VIII NO 1

PRESIDENT'S COLUMN

I am sure that all of us have as our primary goal the providing of quality care for our patients. The distractions that interfere with this aim are becoming increasingly greater in number and in magnitude. Some of them have been discussed in this and previous Newsletters.

The one problem that, at the moment, looms above the others is the gathering threat of another professional liability crisis. Mr. David Willett, CANS attorney, will speak on this subject in a panel discussion with two other experts at our Annual Session, February 13-15. Mr. Willett has provided CANS with new information this week. For the year 1980 the combined loss and expense ratio for medical malpractice carriers nationally is estimated to have soared 37 points to 154% as the underwriting loss exceeded \$550 million. Premiums rose 14%, but incurred losses jumped 46%. The professionally sponsored companies — set up to save doctors and hospitals money because they had found a new way of doing business that would show up the greedy giant insurance industry — are having to come to grips with the problem. Reports of stiff rate increases are coming in from our members.

A problem, more remote at the moment, but certain to require carefully researched answers from neurosurgery and other surgical specialties is that of physician manpower. The Graduate Medical Education National Advisory Committee (GMENAC) was chartered in 1976 to advise the Secretary of Health and Human Services (HHS, formerly HEW) on physician manpower planning strategies. The committee developed a methodology to predict future physician supply and requirements and examined issues affecting physician supply such as financing of medical education, the role of nonphysician providers, geographic distribution of physicians, and the effects of the educational environment on specialty choice. A summary report of the committee's findings was presented to the Secretary of HHS on September 30, 1980 which identified seven major health manpower problems and outlined 40 recommendations for action. Clark Watts, M.D. of the Neurosurgical Advisory Committee to the Graduate Medical Education National Advisory Committee will interpret the GMENAC Report for us.

At the Annual Session, the CANS Directors will report and invite discussion on other current topics including Medi-Cal, Workers Compensation fee schedule, HMO

shortcomings and denial of payment by insurance companies.

We look forward to seeing you.

James B. Golden, M.D.
President, CANS

CALIFORNIA MEDICAL ASSOCIATION

Philipp M. Lippe, M.D., has been appointed chairman of the newly formed CMA Committee on Physicians Supply. The committee will concern itself with physician manpower distribution and related topics. Dr. Lippe would be most interested in hearing from any member on these vital issues.

Philipp M. Lippe, M.D.
2100 Forest Avenue, Suite 106
San Jose, CA 95128

APPLICANTS FOR CANS MEMBERSHIP

The following individuals have completed the necessary application process and have been approved by the Membership Committee for membership in CANS. Final action on their membership applications will be taken at the Annual Meeting.

John Allen Carr, Walnut Creek
Desmond Erasmus, Fremont
Nosrat Allah Nabavi, San Pedro
Emeka Nchekwube, San Jose
Karl Douglas Nielson, Lancaster
Robert Fields Palmer, San Francisco
Richard Baldwin Small, Thousand Oaks
Charles B. Wilson, Chairman
Membership Committee

CANS ANNUAL MEETING

FEBRUARY 13-15, 1981

Marriott's Rancho Las Palmas Resort

(SEE REGISTRATION FORMS INSIDE)

REPORT OF TASK FORCE ON MEDICAL REIMBURSEMENT as submitted to the CMA Committee on Specialty Societies on September 3, 1980

I. **BACKGROUND.** Traditionally the fee for a medical service derives from an ethical judgement on the part of the physician or surgeon equating the value of the service to the patient's ability to pay. The final amount is often subject to adjustment, and the schedule of payment is negotiable. In determining his fee the neurosurgeon reflects on such considerations as his education, experience and skill as well as the difficulty, time, benefit and risk of the procedure. With the emergence of the third party payors, the doctor-patient relationship has become less personalized and less sensitive to the inherent value of the service to the patient. Furthermore, when fiscal responsibility is assumed by the state, the fees that are set become the variables of political and bureaucratic processes and lack relationship to the true values.

II. **NEUROSURGERY AS A SPECIALTY.** The specialty of neurosurgery has certain inherent characteristics that must be identified. The post-graduate training period for neurosurgery is longer and more demanding than for most other specialties. Productive professional life begins later, and its duration is therefore shorter. Working hours are similar to those of other surgical specialties, but include frequent emergency night and weekend calls.

Neurosurgery is essentially a referral specialty. Therefore, the neurosurgeon has little selectivity of patients in the office and no selectivity in the emergency room.

Unlike most other surgical specialties, a significant part of a neurosurgeon's income is derived from patient evaluation, non-operative procedures and other services. Consultations require extensive review of data, reports, x-ray films and special studies. The neurosurgeon must prepare lengthy reports based on a detailed medical history, a comprehensive examination of the patient and evaluation of the other data.

Neurosurgical operations are among the most difficult and precise of surgical procedures. They are often of long duration. Risk to life and function is high. Error is unforgiving. Critical prolonged post-operative care is necessary.

The overhead of a neurosurgical practice is relatively high. Exposure to professional liability litigation is great and requires payment of high and escalating insurance premiums. In addition, low patient volume and relatively high fees combine to produce a low collection ratio.

III. **THE MEDI-CAL PROGRAM.** In general, the patients within the Medi-Cal program often display certain peculiar characteristics. In the ideal medi-

cal practice the doctor takes his patient as he finds him. The patient and the doctor then develop a mutually rewarding relationship based on trust and respect. There is a tacit quest for high quality of care.

When the government becomes involved in a doctor-patient relationship, the emphasis shifts from quality to cost. The patient's attitudes regarding medical care undergo change. For this and other reasons, there is an erosion of quality in the doctor-patient relationship characterized by: 1) low patient compliance; 2) failed appointments; 3) high incidence of malpractice lawsuits; 4) over-utilization of services; 5) increased clerical and administrative work, and 6) inadequate and delayed payments. Such patients increase overhead enormously, in fact, to a level that exceeds the Medi-Cal allowances for their services. In many instances the prorated cost of the malpractice premium exceeds the reimbursement for the services rendered. Consequently, the costs are borne by private patients through subsidy and taxation.

IV. **INEQUITIES.** California neurosurgeons have billed charges by procedure codes only to find that many were not paid at all or were changed to codes commanding a lower fee. Across the board neurological services, when compared with other medical and surgical services, are reimbursed at an inappropriately low level. In addition, the conversion coefficients are inadequate. There are "routine" delays in payment, six months or more, since complex or new procedures are uniformly sent for review thereby seriously decreasing cash flow.

The Medi-Cal allowance for a detailed neurosurgical consultation and report is \$44.80; the allowance for an initial visit to a primary care physician is \$54.60. When the neurosurgeon reflects upon the complexity of his evaluation and the length of his report, he is dismayed by this essential disparity.

Much of the neurosurgeon's work begins in the emergency room, where his night and holiday surcharges for evaluation and treatment of critically ill patients are always challenged and generally not reimbursed. For example, a neurosurgeon may spend the greater part of a night in the emergency department and x-ray department attending and stabilizing a critically ill patient, only to be reimbursed for a consultation at \$44.80. Detention time with patients for diagnostic or pre-operative evaluation in intensive care units and hospital wards is simply not reimbursed.

Throughout California, Medi-Cal reimbursements for neurosurgical operative procedures range from forty percent to fifty percent of billed charges. Reimbursements for operative procedures many times fail to reflect relative values. There is a tendency for intracranial procedures to receive a lower percentage of billed charges than for spinal

procedures. For example, microsurgical clipping of a ruptured intracranial aneurysm has been reimbursed at \$1,463 and a decompressive cervical laminectomy at \$1,170.

In combined neurosurgical-orthopedics operations, in which each surgeon performs a full procedure himself and in addition assists the other, the reimbursement for both surgeons is inappropriately low. Shunt procedures are reimbursed at \$760.50 for a new shunt and \$585 for a shunt replacement, revision or removal. The allowances for peripheral nerve surgery, particularly for digital nerve procedures, are too low on a relative value basis, ranging from \$60 to \$200. Myelography, including four days follow-up, is reimbursed at \$82.63.

These examples are cited to illustrate the consensus of California neurosurgeons that not only are Medi-Cal reimbursements in general too low, but that there are many inequities in the neurosurgical fee schedule.

This statement is submitted in response to your request and represents the position of the California Association of Neurological Surgeons.

James B. Golden, M.D.
Philipp M. Lippe, M.D.

BOARD OF DIRECTORS MEETING

The Board of Directors met December 13, 1980, and took the following actions and/or recommendations:

1. Adopted the following Position Statement: *THAT CANS RECOGNIZES THE AMERICAN BOARD OF NEUROLOGICAL SURGERY, INC., AS THE ONLY BOARD CERTIFICATION IN NEUROLOGICAL SURGERY.*
2. A new membership roster, with an additional listing by counties, is currently being prepared for all members.
3. The Nominating Committee presented the following slate of candidates accepted by the Board: President Elect, Douglas M. Enoch; First Vice President, William H. Wright; Second Vice President, Harold C. Murphree; Treasurer, David G. Scheetz; Directors, Frank P. Smith and N. Edaltpour.
4. Recommended increase exhibit fee to \$175.00 for Annual Session.
5. The Joint Committee of JSEC/CSNS has endorsed the ACS categories of trauma centers.
6. Dr. Lippe reported on the CMA Annual Legislative Seminar. One of their busier activities is in the area of legislation. The term for CANS councilor for CMA Specialty Delegation expires March, 1981. The Board recommended that Dr. Lippe be nominated as councilor to CMA for 3 more years.

The next meeting of the Board of Directors will be held on Friday, February 13, 1981 at Marriott's Rancho Las Palmas Resort, beginning at 4:00 P.M.

CSC COMPLAINT LINE

Are you having trouble with CSC billing? The complaint line is 800-852-7682. If no satisfaction, call CMA 415-777-2000.

LEGAL INTERPRETATION OF LIABILITY INSURANCE CONTRACT

Members of the California Association of Neurological Surgeons, Inc. are requested to obtain opinions referable to their own medical liability insurance status as related to contractual agreements with HMO organizations or individual practice associations. It has been brought to the attention of the Board that there is a possibility that liability coverage could be rendered invalid should your liability insurance contract not include situations in which separate contracts are signed with organizations or associations providing medical care through pre-paid contractual agreements. Many members have already joined varied HMO groups. It is advised that legal interpretation of your liability insurance contract might be necessary in order to be certain that you have the coverage you believe you have at this time.

CANS MEMBERSHIP

February 1, 1981

249	Active Members
32	Associate Members
7	Senior Members
288	Total

As of February 1, 1981 there were 7 applicants for membership.

Charles B. Wilson, Chairman
Membership Committee

Items printed in this Newsletter are for the purpose of disseminating information and stimulating discussion. The opinions and comments expressed herein do not necessarily reflect the official position of the California Association of Neurological Surgeons, Inc.

LETTERS TO THE EDITOR

Over the past several years we have from time to time received letters which are quite pertinent and feel that this information should be disseminated throughout the membership. Members are invited to participate in this portion of the newsletter. These letters will not necessarily represent the opinions of the editorial staff or of the CANS Board, but will reflect opinions of the membership on pertinent issues. The following letter was received from Frank P. Smith, dated January 14, 1981:

"I am looking forward to the Annual Meeting in the mid part of February, 1981. I have not seen the program, but I understand, from talking with Marian O'Dell at the central office, that there is going to be a series of interesting subjects presented, including a guest presentation by Clark Watts. I assume that some part of the program will focus on some of the issues that were given "a position statement" by the Board of Directors at the June meeting, since many of our members might be interested to make comments accordingly. I only say this because I do feel that it is important for us to have a so-called sounding board, where various members can come and give their comments, sometimes in support and sometimes in variation of reaction. The main thing seems to be in providing a cohesive state society, so that we can understand mutual problems and represent collective thinking at the JSEC level for effectiveness on a national basis. The united efforts of each state society will provide very strong links in the entire national chain. From my observations, over a period of years, we have never really had a strong representation of what is best for neurological surgery. The main emphasis has been on rotation through various offices of the American Board and various major societies, with emphasis on maintaining a status quo, hoping that we could rely on our priorities in given academic circles of influence. Those interested in the socio-economic matters of either the Congress or of the AANS have been relegated to secondary positions, not necessarily as rabble rousers, but pretty much in secondary status level. Now, of course, various important factors are coming into focus, so that we are going to have to address our attention to such primary areas as (1) malpractice issues; (2) manpower supply; (3) fee schedules of various types, including reimbursement for various services performed; (4) certification and re-certification; (5) liaison with other specialties, such as orthopedic surgery, for delineation of patient care responsibility and expertise.

All of these pressing issues are projecting our specialty into an arena that goes above and beyond who sits on the Board of Directors of the AANS. It seems to me that the responsibilities of practicing neurosurgeons in the United States of America require more and more development of the JSEC. I should not be at all surprised if there would be eventual merging of the Congress and the AANS, because the primary goals of the two organizations in terms of education and scientific enrichment are somewhat similar. If the super-democratic approach to the Board of Directors of the AANS should really function as advertised, there would no longer be the hierarchy of the past, and there would be the lack of lustre for the academic chiefs. I just don't

know how this would develop, but I can foresee a changing of the old order.

In summary, it seems to be that the future status of our younger colleagues moving into the specialty of neurological surgery can possibly be better secured by continued and even greater efforts by the JSEC than anything currently being proposed by either the Congress or the AANS. I am in complete admiration for both of those organizations maintaining a strong approach to the education and scientific advancement of the specialty, but I am convinced that we need a very strong organization, on a national basis, with State participation, to outline present problems and to secure the future of our specialty regarding all of the basic problems of survival and advancement."

signed: Frank P. Smith, M.D.

"USE CANS AS A TARGET FOR COMPLAINTS"

Recently a refusal by one of the pre-paid health organizations to pay for emergency consultations prompted a referral to the Community Relations Committee of CANS. Similar resolution has occurred in problems with the Kaiser system. You are urged to use the privilege of your membership in this organization in an attempt to obtain resolution of this type of problem. The committee structure is so set up as to triage your complaint to an appropriate group whether related to economic problems, hospital/staff problems, or peer problems. Although individual legal questions cannot be handled, broad scope inquiries are encouraged. Each of you recognizes the sometimes "plodding" nature of committee structures. Nevertheless, each communication will have a response and, hopefully, some form of assistance. A number of problems have been passed on to the California Medical Association for action and later for legislation. Unless you inform your organization of your problem, it cannot act for you.

DELEGATES TO THE COUNCIL OF STATE NEUROSURGICAL SOCIETIES

Name of Delegate	Term
John R. Clark, M.D.	3-80 to 3-83
N. Edalatpour, M.D.	3-80 to 3-81
Robert E. Florin, M.D.	3-80 to 3-83
James B. Golden, M.D.	3-80 to 3-83
Philipp M. Lippe, M.D.	3-78 to 3-81
John A. McRae, M.D.	3-78 to 3-81
David G. Scheetz, M.D.	3-79 to 3-82
Sidney Tolchin, M.D.	3-79 to 3-82
William H. Wright, M.D.	3-79 to 3-82
Frank P. Smith, M.D.	9-80 to 3-82

Name of Alternate	Term
Arthur S. Bard, M.D.	3-79 to 3-81
Joseph E. Bogen, M.D.	3-79 to 3-82
Melvin L. Cheatham, M.D.	3-79 to 3-82
Frances K. Conley, M.D.	3-79 to 3-81
John D. Darroch, M.D.	3-80 to 3-83
Eldon L. Foltz, M.D.	3-80 to 3-83
DeWitt B. Gifford, M.D.	3-79 to 3-82
Donald J. Prolo, M.D.	3-80 to 3-83

S. William Seidman, M.D.
Jacob Mathis, M.D.

3-79 to 3-81
9-80 to 3-82

PROPOSED ARTICLES OF INCORPORATION AMENDMENT

CMA Specialty Society Delegations

Councilor: Philipp M. Lippe, M.D.

CMA House of Delegates

Delegate: George A. Pin, M.D.

Alt. Delegate: Sidney Tolchin, M.D.

NOMINEES/BOARD OF DIRECTORS

The following slate of candidates for positions on the Board of Directors will be presented for action at the Annual Meeting.

- President Elect . . Douglas M. Enoch, Carmichael
1st Vice President . . . William H. Wright, Arcadia
(1 year term — Southern California)
2nd Vice President . . . Harold C. Murphree, Napa
(1 year term — Northern California)
Treasurer David G. Scheetz, Santa Rosa
(2 year term)
Director, Northern California Frank P. Smith, Monterey
(3 year term)
Director, Southern California N. Edalatpour, Newport Beach
(3 year term)

NOMINEES/DELEGATES TO CSNS

The following slate of candidates for Delegates to the Council of State Neurosurgical Societies will be presented for action at the Annual Meeting:

- DELEGATES — 3 year terms
Philipp M. Lippe, San Jose
Douglas M. Enoch, Carmichael
N. Edalatpour, Newport Beach
Frank P. Smith, Monterey

Additional nominations may be made by Active and Associate members at the Annual Meeting.

Richard E. Newquist, Chairman
Nominating Committee

THERE ARE CURRENTLY THREE NEUROLOGICAL SURGEONS ON THE COUNCIL OF THE CMA AND 13 DELEGATES IN ALL, IN CMA AFFAIRS

Over the past three years Dr. Philipp Lippe has been representing you and other specialty organizations as a councilor in the CMA. This representation is for 24 specialty organizations. His present term will be completed and one of the two positions will become available. This post requires an individual with strong involvement, knowledge of socio-economic problems effecting all specialty organizations, not neurological surgery alone, and one who is diplomatic and erudite in debating and presenting subjects which are of interest to all of us. Although Dr. Lippe has represented the interests of neurological surgery at the CMA quite well, he has done an exemplary job in representing the interests of all specialty societies. Your assistance in having Dr. Lippe re-appointed through contact with other specialty society officers and to your local CMA delegates is encouraged. Submitted by Sidney Tolchin, M.D.

The following amendment to CANS Articles of Incorporation has been proposed by the Bylaws Committee and approved by the Board of Directors. This amendment will be acted upon at the Business Meeting on February 15, 1981, during the Annual Session: (Material to be added appears in italics. Material to be deleted is marked through.)

ARTICLES OF INCORPORATION (page 2)

Art IV
~~ARTICLE III. This corporation is organized pursuant to the General Nonprofit Corporation Law of the State of California. (Editorial change by renumbering existing articles.)~~

error

PROPOSED BYLAW AMENDMENT

BYLAWS (page 22)

ARTICLE X, EXECUTIVE OFFICE, LOCATION, Section 10.01. ~~The Principal Office of the Association shall be located in San Francisco County until changed by amendment to the Articles of Incorporation. The Principal Office shall be maintained at One California Street, Suite 2245, San Francisco California, 94111 for the purposes of California General Corporation Law §§213, 601(b), 600(a) and for purposes of determining where an action may be instituted under §177 and for instance §§305(e), 308(a), 419(b), 601(e), 709(a), 1304(a), 1501(f) and 1800, to the extent that the preceding sections may be applicable. The Association shall also maintain an Executive Office. Except as otherwise provided in this Article, the Executive Office shall be maintained at the medical offices of the President of the Association. The Board of Directors may establish a permanent Executive Office which may be at a location other than the Association's Principal Office and other than the medical office of the President. The Executive office of the California Association of Neurological Surgeons, Inc., be maintained in Sacramento, California, and that our agent to receive service of process be located at 44 Montgomery Street, Suite 3500, San Francisco, California.~~

Sidney Tolchin
Bylaws Committee Chairman

NOMINATIONS FOR AANS OFFICER POSITIONS

Members attending the annual meeting are invited to be prepared with nominations for the American Association of Neurological Surgeons, Inc., officer positions including members of the Board of Directors.

1981 ANNUAL SESSION — REGISTRATION SPACE AVAILABLE BASIS

FEBRUARY 13 - 15, 1981

CALIFORNIA ASSOCIATION OF NEUROLOGICAL SURGEONS, INC.

MARRIOTT'S RANCHO LAS PALMAS RESORT
41000 BOB HOPE DRIVE

ATTN: RESERVATIONS RANCHO MIRAGE, CA. 92270

Requests prior to and after convention dates will be accepted on a space available basis only. Check out time is 12 noon — check in time 4 PM.

ALL RESERVATION REQUESTS MUST BE ACCOMPANIED BY THE FIRST NIGHT'S DEPOSIT IN ORDER FOR THE RESERVATION TO BE PROCESSED AND CONFIRMED. DEPOSITS ARE REFUNDABLE WITH 10 DAYS ADVANCE NOTICE. UPON ARRIVAL, THE DEPOSIT WILL BE APPLIED TO YOUR FINAL NIGHT'S STAY. AN EARLIER DEPARTURE WILL RESULT IN FORFEITURE OF THE DEPOSIT UNLESS WE RECEIVE 10 DAYS ADVANCE NOTICE OF THE EARLIER DEPARTURE DATE.

NAME _____

FIRM California Association of Neurological Surgeons, Inc. _____

ADDRESS _____

CITY, STATE, ZIP _____

BUSINESS PHONE _____

CALIF. ASSOCIATION OF NEUROLOGICAL SURGEONS, INC.
FEBRUARY 13-15, 1981

I plan to arrive _____ DAY/DATE

I plan to depart _____ DAY/DATE

Please Check:

- 105.00 [] Deluxe Single Occupancy (one person)
105.00 [] Deluxe Twin Occupancy (two people)
120.00 [] Parlor
225.00 [] Parlor Suite (Parlor & Connector)
275.00 [] Deluxe Suite

[] Sharing with _____

Transportation to and from the Airport is available on a scheduled basis. There is an Airport Courtesy phone.

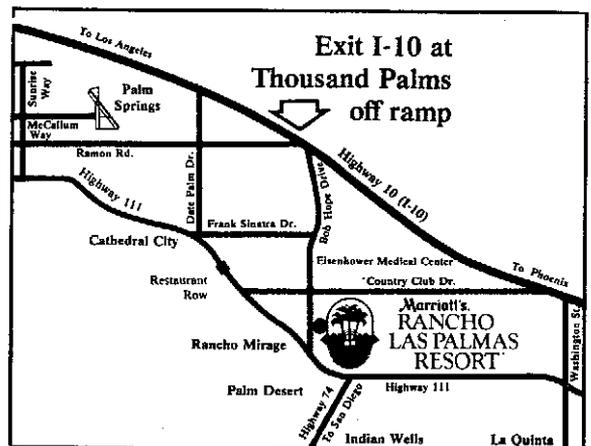
Anticipated time of arrival at the hotel _____

Airline _____

Flight No. _____

EUROPEAN PLAN

Please note: Each bedroom has two over-sized double beds.



1981 ANNUAL SESSION

CALIFORNIA ASSOCIATION OF NEUROLOGICAL SURGEONS, INC.

MARRIOTT'S RANCHO LAS PALMAS RESORT, RANCHO MIRAGE

FRIDAY, FEBRUARY 13, 1981

4:00 P.M. - 6:00 P.M.
Board of Directors Meeting

6:00 P.M. - 8:00 P.M.
Opening Reception

Terrance O'Reilly, "Standards of Care in the
1980's"

John McRae, "Insuring the Risk, the Experience
of the Doctors Company"

12:30 P.M.
Annual Luncheon

SATURDAY, FEBRUARY 14, 1981

7:30 A.M.
Board of Directors Meeting

7:30 A.M. - 9:00 A.M.
Coffee and Exhibit Break

9:00 A.M. - 10:30 A.M.
Neurosurgical Manpower, Dr. Clark Watts, Chairman,
Manpower Committee, American Association of
Neurological Surgeons

10:30 A.M.
Coffee and Exhibit Break

11:00 A.M.
Speakers on Malpractice Litigation and California
Update

David Willett, "Current Legislation"

SUNDAY, FEBRUARY 15, 1981

9:00 A.M. - 10:30 A.M.
Annual Business (Members Only)
James B. Golden, M.D., President

10:30 A.M. - 11:00 A.M.
Coffee and Exhibit Break

11:00 A.M. - 12:00 P.M.
Presentation by Member Services Committee. Update
on Medi-Cal. Panel on Billing Tips and "preserving the
turf."

12:00 P.M.
Adjournment

CALIFORNIA ASSOCIATION OF NEUROLOGICAL SURGEONS, INC. ANNUAL SESSION, FEBRUARY 13-15, 1981 MARRIOTT'S RANCHO LAS PALMAS RESORT

Name _____

Address _____

City _____ State _____ Zip _____

ANNUAL SESSION — *Deadline for Advance Registration — FEBRUARY 5, 1981*

_____ \$30.00 Registration for CANS Members and Applicants for Membership (Saturday luncheon and two cocktails at Opening Reception included)

_____ Complimentary Registration for Spouse or Member or Applicant for Membership (Saturday luncheon and two cocktails at Opening Reception included) Name: _____

_____ \$30.00 Registration for all other guests (Saturday luncheon and two cocktails at Opening Reception included)

Make checks payable to:

California Association of Neurological Surgeons, Inc.

Mail to:

C.A.N.S., P.O. Box 41761, Sacramento, CA 95814

Calif. Association of Neurological
Surgeons, Inc.
P.O. Box 41761
Sacramento, Calif. 95841

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