Policy & Practice

Practice Revenues Down, Costs Up

In 2006, the total revenue per full-time equivalent physician declined by 0.72% for cardiologists, while operating costs per FTE increased by 3% to $538,135, according to the recently published Medical Group Management Association cost survey. Operating costs are increasing largely because of a rise in practice overhead. The median total operating cost as a percentage of revenue has increased 12% since 2000, said MGMA. Sixty-nine percent of practices had total revenues of $10 million or above; the biggest slice, 21% of practices, had revenues of $10-$15 million. Sixty percent operated at a profit and 35% operated at a loss; 4% broke even. According to the survey, to which 94 cardiology and thoracic surgery practices responded, 51% of cardiovascular practices still keep paper medical records; 39% have electronic health records, 9% use a document-imaging management system, and 1% employ another method. A large majority of practices offered ultrasound in the office, but most did not offer in-office cardiac MRI, computed tomography, or peripheral vascular CT.

America's Cholesterol on Target

Americans have met the Healthy People 2010 goal of a serum total cholesterol level of 200 mg/dL or less, according to the Centers for Disease Control and Prevention's National Center for Health Statistics. Using data from the National Health and Nutrition Examination Survey (NHANES), CDC determined that the age-adjusted mean total cholesterol level for adults over age 20 years was 199 mg/dL in 2005-2006, which is a drop from 204 mg/dL in 1999-2000. The decline was primarily in men over age 40 years and women over age 60 years; there wasn't much change for other age and sex groups during that time period, according to the CDC. However, women over age 60 years had higher cholesterol levels than men their age, and higher than any other group.

FDA Can't Fulfill Mission

Three members of the Food and Drug Administration's Science Board issued a damning report on the state of the agency, saying that "the agency suffers from serious scientific deficiencies and is not positioned to meet current or emerging regulatory responsibilities." The authors wrote that the FDA has become weak and unable to fulfill its mission because of the increasing number of demands put upon it and an inability to respond because of a lack of resources. "FDA's inability to keep up with scientific advances means that American lives are at risk," wrote the panelists, adding that the agency can't fulfill its mission "without substantial and sustained additional appropriations." The report was written by Gail Cassell, Ph.D., vice president of scientific affairs at Eli Lilly & Co.; Dr. Allen D. Roses, Jefferson-Pilot Corp. Professor of Neurobiology and Genetics at Duke University; and Dr. Barbara J. McNeil, head of the health care policy department at Harvard Medical School. Members of the Coalition for a Stronger FDA and the FDA Alliance urged Congress to heed the report's warnings. "FDA can't improve its science, prepare for the future, or protect American consumers without significant additional resources," said coalition member Don Kennedy, Ph.D., a former FDA commissioner and editor-in-chief of the journal Science, in a statement.

FDA Sets User Fees for DTC Ads

The FDA is charging drug companies about $40,000 to review each of their direct-to-consumer television advertisements, according to a notice issued by the agency in December. Last September, Congress authorized FDA to create a user-fee program for the advisory review of DTC prescription-drug television advertisements. The program is voluntary; drug sponsors can choose whether to seek FDA advisory review of their ads before broadcast. However, if they seek review by the agency, they must pay the fee. The $41,390 fee established for fiscal year 2008 is based on the number of ads slated for review and is expected to generate $6.25 million in total revenues during the first year of the program.

Agency's Approval Plan Flawed

The Food and Drug Administration is considering new guidance that would allow drug companies to use journal articles to promote "potentially dangerous uses" of drugs and medical devices without prior FDA review and approval, according to a top lawmaker. Rep. Henry Waxman (D-Calif.), who chairs the House Committee on Oversight and Government Reform, urged the agency in a Nov. 30 letter to reconsider its draft guidance. "[It] would, in effect, allow drug and device companies to short-circuit FDA review and approval by sponsoring drug trials that are carefully constructed to deliver positive results and then using the results to influence prescribing patterns," he said. He asked the FDA for detailed information on development of the new policy.

—Alicia Ault