

## POLICY &amp; PRACTICE

**Bill Seeks Increased IVIG Pay**

Legislation seeking to increase reimbursement for intravenous immunoglobulin (IVIG) has been introduced in the U.S. House of Representatives. Patient groups and IVIG manufacturers have said that Medicare's current coverage is so low that many physicians have stopped administering the therapy. A patient survey by the Immune Deficiency Foundation found that since January 2005, almost half of surveyed Medicare beneficiaries with primary immunodeficiency diseases had their treatments postponed by a physician, and 26% had serious health consequences because of the delays. About 10,000 Medicare beneficiaries receive IVIG, according to the House legislation H.R. 2914. The bill would increase payment for IVIG and for ancillary services. It would also maintain the preadministration fee physicians have been receiving and provide management fees for home IVIG infusion. H.R. 2914 was introduced by Rep. Kevin Brady (R-Tex.) and, as of press time, had 17 cosponsors, but no companion legislation in the Senate.

**Accutane Suits Advancing ...**

With the first verdict rendered in the approximately 400 suits pending against Accutane (isotretinoin), several more cases are headed for court this fall. In late May, a New Jersey Superior Court jury found Accutane manufacturer Roche guilty of failing to warn users of a risk of inflammatory bowel disorder. The jury awarded \$2.5 million in compensatory damages and \$119,000 in medical expenses to 36-year-old Andrew McCarrell, an Alabama resident who claimed he developed IBD after taking the drug for 4 months. The jury did not award punitive damages. A second suit was due to go to trial in Madison County, Ill., in April, but has now been rescheduled for Oct. 15. In that case, the plaintiff is alleging that Accutane caused his Crohn's disease. Another suit is due to be heard in Pensacola, Fla., in September.

**While Another Is Dropped**

Meanwhile, the plaintiffs in another high-profile Accutane suit have dropped their efforts to prove that the Roche drug led their teenaged relative to commit suicide. Julia Bishop and Karen Johnson, the mother and grandmother of Charles Bishop, asked the U.S. District Court in Tampa to dismiss the suit they had brought alleging that Accutane had driven the then-15-year-old to fly a stolen Cessna airplane into a skyscraper in Tampa in early 2002. The crash garnered worldwide attention as it occurred just months after Sept. 11, 2001. Mr. Bishop also left a note expressing support for Osama bin Laden. According to reports in the Tampa media, Mr. Bishop's mother and grandmother said they were too exhausted to continue to pursue the suit.

**Lupus Grants Awarded**

The Department of Defense's Con-

gressionally Directed Medical Research Program awarded more than \$2 million in the form of two grants for research on lupus and lupus biomarkers. The grants will fund investigations in mouse models, but the findings could lead to human advances. Researchers at the Medical University of South Carolina in Charleston will experiment with targeting a certain cascade of proteins in a mouse model to target certain areas where lupus causes tissue damage and to minimize immune suppression in other areas of the body. Grant recipients at the Feinstein Institute for Medical Research at the North Shore Medical Center in Manhasset, N.Y., will examine estrogen's role in triggering lupus activity in certain mouse models but not in others. That research could have long-term implications for testing patients with lupus for hormonal disorders.

**CDC: 43 Million Lack Coverage**

Nearly 15% of Americans—43.6 million—lacked health insurance in 2006, according to the Centers for Disease Control and Prevention. Among Americans aged 18-64, nearly 20% lacked health insurance in 2006, a slight increase from about 19% in 2005, the CDC said. About 9% of children did not have health coverage in 2006, a marked drop from 14% in 1997, the year the State Children's Health Insurance Program (SCHIP) was enacted. The CDC noted that the percentage of uninsured Americans in the 20 largest states varied from less than 8% in Michigan to nearly 24% in Texas. The CDC study was based on data collected from interviews in more than 100,000 households nationwide.

**AMA: Investigate Store Clinics**

The American Medical Association has called for investigations into potential conflicts of interest posed by joint ventures between store-based health clinics and pharmacy chains. Physicians at the AMA's House of Delegates in Chicago voted to ask state and federal agencies to determine whether these joint ventures pose a threat to patient welfare. "There are clear incentives for retailers to participate in the implementation and operation of store-based health clinics," said AMA board member Dr. Peter Carmel in a statement. "The nation's physicians want the AMA to ensure these incentives do not compromise the basic obligation of store-based clinics to provide patients with quality care." The AMA also noted that some insurers are allowing store-based clinics to waive or lower patient copayments, while still requiring physicians to collect such payments. The House of Delegates, noting concerns that these lower copayments for in-store clinics could inappropriately steer patients to the clinics on the basis of cost, rather than quality of care, voted to seek equal treatment for physicians regarding health insurers' copayment policies.

—Alicia Ault

## MANAGING YOUR DERMATOLOGY PRACTICE

## Hiring a New Associate

The questions don't stop when it comes to the mechanics of hiring new associates. Several readers have written to ask when to add new employees and how much to pay them.

Generally, it shouldn't be too difficult to determine if you need a new associate. Just look at your appointment book. How many slots are open? How long does a new patient have to wait for an appointment? Practice experts differ on rules of thumb, but in my opinion, if it takes 3 weeks or longer for a new patient to get an appointment, you are almost certainly losing patients and referrals to your competitors.

Another red flag may come from your referrers. If you are beginning to hear complaints that you are not as available as you once were, or that your reports are not prepared in as timely a manner, it is important to address these concerns before your referrers begin sending their patients elsewhere.

Young associates also ensure that your practice will continue to thrive. Your long-time referrers will eventually retire, and the young newcomers who replace them will naturally tend to refer to specialists closer to their age, leaving your practice to stagnate if younger physicians are not a part of it.

Additionally, expanding your practice may enable you to negotiate better terms in your managed care contracts by offering more hours and services.

If you are referring out substantial quantities of subspecialty services, such as laser or cosmetic work or Mohs surgery, you might want to recruit an associate who is specially trained in those services to keep those patients in-house.

Before you begin recruiting, however, make sure that all of the current physicians are in agreement that another physician is necessary.

It is worth considering the possibility that your practice needs something other than a new physician. If physicians are doing administrative tasks when they could be practicing medicine, consider hiring a practice administrator to manage your business and finances.

You may want to consider bringing in a nurse practitioner or physician assistant to do acne follow-ups and other routine duties, freeing physician time for more specialized procedures. (If you missed the column I wrote last year addressing this subject in detail, go to [www.skinandallergynews.com](http://www.skinandallergynews.com) and click on "The Archive Collection" on the left-hand side.)

If indeed it is a new physician that you believe your practice needs, consider all of the costs related to hiring and supporting him or her for at least the first year. (Once again, check out the online archives for a previous column addressing this subject in more detail.)

You must also remember to include the costs of additional support personnel; additional examination or procedure rooms; a larger reception area; and the associated mortgage or leasehold improvement costs, overhead expenses, payroll taxes, and lawyer fees.

If the new physician provides services that are new to your practice, you will most likely need new equipment. This means that you must factor quotes from suppliers into your calculations.

Then, there is always the question of just how these additional costs will be met. No matter how large their current backlog, many dermatologists worry

that their practices won't have enough additional patients to support a new doctor.

You can remove much of the guesswork by estimating how many additional patients your practice will need to break even. Do that by dividing your previous year's total revenues by the total number of patient visits to determine average revenue per visit. Then divide the total estimated cost

of hiring a new physician by your revenue per visit. This is the approximate number of additional visits that must be generated for the new associate's costs to be covered.

The calculations will, of course, become more complex if the new physician will be doing only Mohs or cosmetic procedures, but you get the idea.

How much you pay a new associate will depend heavily on your location and individual circumstances. Find out what nearby practices are paying their recruits, and ask applicants themselves how much they expect to be paid.

The ultimate determination may require the services of an experienced practice consultant who is familiar with your practice area.

Many candidates will also expect incentive compensation for exceeding their revenue-generation goals.

You should also consider rewarding other performance achievements, including relationship building, teamwork, practice promotion, and attraction of new referrers.

Remember to factor in the fringe benefits that your practice provides. Most compensation packages include such standard benefits as paid time off, health insurance, society dues, hospital staff fees, CME costs, subscriptions, retirement plan contributions (when eligible), and malpractice insurance.

Lastly, you may also want to consider covering the physician's moving expenses, especially if it would help close the deal. ■



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