The picture above is the landing page of our new website, [www.privatepracticedoctors.com](http://www.privatepracticedoctors.com). We are very excited about our new look. We are also now able to offer some amazing savings to our members. Here is a little background about how we landed where we are.

My advice is to read the following carefully in order to fully understand the savings available to you. This newsletter has nothing to do with the treatment of hypertension, reducing a fracture or urinary frequency, but may greatly affect the cost of running your practice.

**McKesson buys Physician Sales and Services**

McKesson, PSS, Cardinal and Henry Schein were the four major players in the medical office supply business. It is very likely that your office dealt with one of these vendors. If you are on the west coast, it was very likely you had an
agreement with McKesson or PSS. A couple of years ago, McKesson paid $2.1 million to acquire PSS, with most of the consolidation occurring in 2013/2014.

Therefore, because of this consolidation, if you are practicing medicine in the Southern California area, you are most likely dealing with only one entity. This virtually eliminates competition and reduces your ability to negotiate rates for all the medical products you purchase.

*The good news here is that Private Practice Doctors has a unique contract with McKesson. Our relationship with PSS started prior to the merger. We continue to have contracts that allow our members a unique ability to leverage their Private Practice Doctors association to lower their medical supply costs. We are the only independent physician company that McKesson has such an arrangement with, that we know of.*

McKesson Corporation (MCK)
**Henry Schein and Cardinal Consolidation**

Cardinal Health's physician office sales team and distribution business, with annual revenue of more than $300 million, is transitioning into Henry Schein's Medical Group. Therefore, 2 other major players in the supply business to physician offices will be consolidating, further limiting competition and your ability to negotiate prices. Henry Schein, in the Southern California, is currently strong in the dental market. Their play in the medical market is unknown at this time.

![Henry Schein (HSIC)](image)

**Summary**

PPD is one of the few entities that is able to provide you discounts for your medical supplies on everything from lab reagents to bandages, surgical supplies to syringes. If you are buying your supplies without a PPD contract in hand, we challenge you to let us try to save you money! You can purchase McKesson supplies by going to [www.privatepracticedoctors.com/supplies](http://www.privatepracticedoctors.com/supplies) and choosing McKesson and clicking on the Medical/Surgical Supplies button.
Staples takeover of Office Depot

Staples Inc. is currently planning a takeover of Office Depot, a merger that is awaiting government approval. The Staples deal will leave just one national office-supply retailer that will control as much as 80 percent of the market for large corporate accounts for high-volume products. Once more, as smaller volume players, physicians are trapped in a difficult non-competitive environment.

Thankfully, Private Practice Doctors can get the discounts of the “larger players” by using our unique contract with our GPO, MedAssets. Through this group buying organization, Private Practice Doctors has access to all your everyday office supplies. You may think that office supplies are a minor cost item, but they weigh heavily in the dollar flow out of your office. Why not investigate our discounts?

Speaking of MedAssets

As just mentioned, Private Practice Doctors has a unique contract with a large group purchasing organization. One of the benefits of being part of a group purchasing organization is the ability to make capital purchases at markedly reduced rates. For example, beginning in this quarter, there will be group purchases on EKG machines, x-ray equipment and many other items. This group
buying technique allows you to save thousands of dollars.... if you are a member of Private Practice Doctors. If you are not part of volume buying group you are paying too much.

**More Discounts on medical supplies**

Private Practice Doctors has new contracts with several entities for their physicians to purchase vaccines and other pharmaceutical supplies at discounted prices that you may use at your office. As many of our internists, infectious disease physicians and pediatricians know, vaccine discounts are very hard to come by. They are frequently manufactured by one company and, therefore, physicians are held hostage to the asking price. Through our group buying contracts we have been able to lower the cost. Compare our costs to yours.

**Mobile Phones**

Did you know that everyone in your office can save up to 25% on his/her mobile phone bill each and every month.....as long as you are a member of PPD? What a perk to hand out to your employees! What a treat to have for yourself!
If you are not saving through PPD, every month you are literally handing out free cash to companies like AT&T and Verizon. Almost all the top carriers are included in our discount plan. Why pay more?

**Banking Services**

I have previously gone into great detail about the credit cards that you accept from your patients for payments. This is so important, I have decided to delve into this again. So if you can bear with me, here we go. There are really four parties to each transaction, namely:

- You, the “merchant” receiving the payment
- The bank that you use to provide processing services, “acquiring bank”
- The bank that issued the card to your patient, “issuing bank”
- Your patient, or the “customer” making payment

In banking parlance, the money in the transaction is lent by the issuing bank to the customer who either pays off the debt in 30 days or accumulate a balance that comes with interest. According to the bank, the acquiring bank is making a loan to you the merchant. Fees are deducted by both banks (of course), so you get less than you charged because these fees have been deducted. Now keep with me here, the issuing bank fee is called the “interchange fee”. The acquiring bank fee is called the “discount fee”.
The interchange fee is published but can depend on several factors, such as:

- Whether the card is present at the transaction, phoned in or keyed on the internet
- Whether the card has special features such as a reward card
- The type of merchant accepting the card

The type of merchant is important because the bank wants to avoid a chargeback which happens when a customer successfully disputes a charge. The safest charge from the banks point of view is when the customer is present and the card is swiped and a receipt signed. They also like when the goods are inexpensive and unlikely to provoke complaints. The riskiest are those over the phone and internet.

The reason I am giving you this primer is that you need to find out about all these rates before you believe the rates you have been quoted by various vendors. We have found that physicians are paying on the order of 4-7% after all the fees are factored in, even though they think they have been paying less. Our Private Practice Doctors rates are based on interchange rates plus 10 cents. We have the power of Bank of America behind us and the rates we provide are similar to the merchant account rates for the big guys such as Best Buy.

If you are paying higher merchant account rates, you are simply throwing away thousands of dollars. And the more you allow your patients the usage of credit cards to pay, the more you throw away.

**Insurance**

Do you provide health insurance to your employees? I do. Recently we have developed a new association with the W.I.N. insurance group. This very experienced group can delve into various programs for your employees and may be able to lower your insurance rates.

W.I.N. specializes primarily in the employer health insurance arena. W.I.N. professionals counsel medical professionals in need of specific lines of coverage including life insurance, disability insurance, commercial business insurance, pension planning, long term care insurance, and annuity investing. The constantly
changing healthcare laws and their intricacies can be challenging even for those steeped in insurance details. World Insurance Network has experts that will help navigate you through the “murky water”. W.I.N. consultants are NAHU (National Association of Health Underwriters) certified and have “in depth” understanding of the new healthcare laws.

You can find a special PPD link to their pages at www.privatepracticedoctors.com/insurance

**ABIM is not your friend**

I think many of our members and readers need to give a shout out to those PPD folks and even non-PPD members who have been fighting the ABIM. For a nice summary go to [http://www.newsweek.com/abim-american-board-internal-medicine-doctors-revolt-372723](http://www.newsweek.com/abim-american-board-internal-medicine-doctors-revolt-372723).

Briefly, as you are well aware, the American Board of Internal Medicine is an organization that makes life difficult for its members with ever increasing rules and regulations while enriching themselves in the process. In the name of maintaining physician quality and improve patient care, they set an obstacle course for physicians to run.

To quote the article,

> It’s a horror story that has played out for years throughout the U.S. as the ABIM abuses its monopoly power to force doctors to do whatever it decrees, while ignoring the many doctors who have demanded for years that independent researchers conduct comprehensive studies to determine if ABIM’s requirements do anything to improve patient care. This medical protection racket has made millionaires of ABIM top officers, financed a ritzy condominium, limousines and first-class travel, all while sucking huge sums of cash out of the health care system.
Because of the efforts of a number of physicians, many within our own community, some of the façade is crumbling from the edifice and the truth is starting to come out. As usual the ABIM is changing some of the rules at the edges in order to fight for its survival. But this behemoth institution’s hold on your pocketbook with its arcane rules and charges maybe heading toward extinction. Investigations have shown just how much financial harm the ABIM has caused physicians. The most ironic part is that there is no evidence that they have improved patient care.

_The study concluded that internists incur an average of $23,607 in MOC costs over 10 years—with doctors who specialize in cancers and blood diseases out $40,495. All told, the study concluded, MOC will suck $5.7 billion out of the health care system over 10 years, including $5.1 billion in time costs (resulting from 32.7 million physician-hours spent on MOC) and $561 million in testing costs. And remember—all that time and expense is for a program that has not been proven to accomplish anything._

So thank you to those of you fighting the good fight and protecting the private practice of medicine.
ICD-10 codes are coming...are you ready!

Whether you like it or not, you better plan on implementing ICD-10 codes in just a few days (October 1, 2015). I have already started and let me tell you it is adding even more time to my medical record keeping.

I was just recently interviewed on KNX news radio, and if you have five minutes to listen, you may find this enjoyable. Click the following link.
http://reedwilson.com/media/

The first audio will look like the image below, just click the white triangle to play. It will look like this.

[Audio player]

2015 – Dr. Reed Wilson is interviewed on KNX news radio about new medical ICD-10 coding

These codes are totally unnecessary and will not improve patient care. They are simply for bureaucrats and insurance companies. Instead of 13,000 codes there will be almost 70,000 codes from which to choose. Each diagnosis must be changed and sometimes with ridiculous specificity.

There are codes for “Struck by Turtle” (W59.22XA) which is different than “Bitten by Turtle” (W59.21XAI). How about “Sucked into jet engine, subsequent encounter” (V97.33XD) or “Walked into lamppost, subsequent encounter” (W220.2XD)? How many times will you diagnose “Burn due to water-skis on fire, subsequent encounter” (Y93.D: V91.07XD)?

If you think this transition will go smoothly, think about the roll out of Obamacare. You can be sure that miscoding will result and your payments will be
delayed, even though you are providing quality services. You can revise and resubmit but that takes time. Some experts recommend that you keep up to 6 months collections on hand and get extra lines of credit from banks! Really, just so I can perform bureaucratic nonsense?

If you think this is just a MediCare requirement, please realize private insurers are all ready as well. Aetna says if you don’t use ICD-10 codes your claims will be denied.

The specialties receiving the greatest burden will be orthopedic surgery and internal medicine. Orthopedic surgery codes will turn very complex. The NY Times gives an example where a doctor will be asked to specify whether a fractured femur is in the right or left leg (really? is billing different on different legs?), whether the bone protrudes through the skin, whether healing is routine or delayed, and whether the bone fragments rejoin at a wrong angle. Each
orthopedic code turns into a multilayer coding extravaganza. Internal medicine will have large coding problems because of the sheer volume of codes possible. Please do not ignore this and leave it to your billers. Get actively involved. And remember this product was brought to you by the makers of ObamaCare.

**Even NPR Realizes Something Is Fishy**

When the staunchest supporter of socialized medicine and Obamacare realizes that hospitals buying doctors is a bad thing, maybe it’s time to look in the sky to see if pigs can fly. On September 9, NPR wrote an article that you can find on the following link: [http://www.npr.org/sections/health-shots/2015/09/09/438835287/when-the-hospital-is-boss-that-s-where-doctors-patients-go](http://www.npr.org/sections/health-shots/2015/09/09/438835287/when-the-hospital-is-boss-that-s-where-doctors-patients-go)

NPR finally realized that hospitals tell us that the purchase of physician practices improves coordination of care, lowers costs and benefits the patients. But they heard the skeptics saying that such healthcare practices increase cost and steers patient referrals. So they asked the question, who is right?

Researchers at Stanford University examined referral patterns between independent doctors and those working for hospitals. Ownership by a hospital dramatically increases the odds that a doctor will admit patients there instead of
another, nearby hospital. Furthermore, hospital ownership of doctor practices boosts chances that patients will go to higher-cost, lower-quality hospitals.

Other, amazing conclusions (he says sarcastically) reached by the Stanford researchers:

- Without doctors there are no admissions and no revenue to pay the hospitals’ huge fixed expenses.
- There has been a renewed boom in hospitals acquiring physician practices because of the Affordable Care Act.
- “As policymakers try to revamp a system that often harms patients and delivers billions of dollars in unnecessary care, the researchers' findings about hospital-owned practices aren't in line with the way the system things are supposed to work.”

Many of us have been talking about this for years. But organizations who supported this activity will not tell us they were wrong. After all, their hearts were in the right place, even if their brains were not.
In The Coming Weeks

In the coming weeks you can expect to hear from us directly. We are making a big push for membership for several reasons!

- It will allow us to lower your costs as more individuals participate in our purchasing organizations
- It will allow private physicians to speak with a more unified voice
- Distributors will be ceasing the practice of offering PPD pricing to non-PPD members.

Therefore, to continue to save money and support yourselves and your fellow physicians, please consider joining. Just write me at reed.wilson@privatepracticedoctors.com

Thanks for listening.