From the Archives

AAPS Testifies for Freedom before House Ways and Means Committee

[Originally published in *AAPS News Letter*, December 1971 Volume 25, No. 12]

Not so very long ago, before Medicare, scores of national organizations, led by American Medical Association, regularly appeared before congressional committees to plead with lawmakers not to pass any kind of national health program except the minimum required to succor the indigent. AMA was staunchly supported by such groups as American Hospital Association, insurance industry, Blue Cross Blue Shield, local and national Chambers of Commerce, American Nursing Home Association. Now, most of these organizations, including the AMA, are lining up imploring Congress to enact their own version of a national health program.

All have become committed to some kind of program that would, to varying degrees, increase government intervention in the private practice of medicine.

In all the U.S., there appears to be but one national organization continuing to fight to preserve the private practice of medicine without further government interference. That organization is the Association of American Physicians and Surgeons, headquartered in Chicago.

Thomas G. Dorrity, M.D., Memphis, Tenn., AAPS President, had this to say to House Ways and Means Committee and made it clear he meant all pending legislation.

> We believe that if citizens generally, who are your constituents and also doctors' patients, understand what these bills mean, none of them will be enacted into law. The reason being that all of them contain ideas contrary to the basic economic and political system which the great majority of us believe in and cherish.

Dr. Dorrity made it clear he did not intend to leave out AMA's so-called Medicredit proposal in his indictment. In that proposal he sees more government intervention that could be fatal to medical liberty.

> We want this committee and the public generally to know the American Medical Association is not speaking with the knowledge and consent of many practicing physicians and surgeons when advocating more subsidies for medical care…. There is no argument about the fact that government controls anything that it subsidizes. When anyone asks for $13 billion (AMA does) more subsidies in order to pay hospital and doctors' bills in whole or in part for everyone, they are asking for more controls. We believe this is unsound.

And to business interests flirting with nationalized health care, Dr. Dorrity had this word: They are "falsely reasoning they can shift labor costs for health care from management to government and not suffer consequences of undermining private responsibility." [Quoted on front page of an independent weekly Newsletter (*Medical News Report*) by Dr. Bing Blasingame, Publisher, former AMA Executive Vice President.]

California Chapter of AAPS Testifies

Speaking for the California Chapter of the AAPS, Rafael Solari, M.D., of San Francisco, Vice President, citied adverse California experience with government intervention in medicine. Government promises of free medical care at point of consumption greatly increased demand resulting in a large budget deficit. Then Bureaucratic rationing through regulations forced prior authorization for non-emergency admissions to hospitals, limitation of hospital stays to eight days, limitation on the prescription of drugs, and a reduction of fees paid to providers of services. Confusion and delays resulted. Physicians were buried beneath a mound of unnecessary paperwork. The mess resulted in a lawsuit and provided on a state basis an illustration of the kind of trouble a nationalized health insurance program would generate for the entire country. He also detailed how Medicare has adversely affected doctors' care of patients by diverting their attention from patients to bureaucratic shuffling of papers.

….

Vice-President Spiro T. Agnew Also Critical of AMA

Obviously invited to address the leaders of the Association to display the political clout of the Political Action Committee of the Association, the Vice President compared the "scare rhetoric" of Democratic candidate Muskie with the AMA advertising campaign.

Citing U.S. Senator Edmund Muskie's "utopian rhetoric" on environmental proposals he said, "Senator Muskie (D-ME) favors spending billions more on the environment than presently programmed. The environment is the ripest field of all for doomsday rhetoric… I'm sorry to say that even the AMA has been caught up in it."

"I'm not surprised at that sort of scare rhetoric coming from a Democratic presidential candidate who hopes to capitalize on it in an election year, but I am a little bit surprised with the AMA yielding to the fad of apocalyptic rhetoric," Agnew chided.

Peer Review

The AMA approved a definition of Peer Review which lays the groundwork for medical foundations to be given authority to look over your shoulder in your office and interfere with and impair the free and complete exercise of your medical judgment and skill which will cause a

deterioration in the quality of medical care. This violates Section 6 of the Principles of Medical Ethics.

Under the definition, Peer Review now includes all medical review efforts including medical practice analysis, institutional care evaluation, and ambulatory care evaluation. It now reads: "Peer Review to assure the quality of medical care, services and procedures provided to ambulatory patients. A function of the local medical society, or other organization authorized by the medical society, in a geographically defined locality, which incorporates the concepts of utilization review and medical audit." The "other organization authorized by the medical society" clause slipped into the language for medical practice analysis at the Annual Meeting in June. Requests for deletion of the clause were ignored.

Medical Association Executive Train to Get Federal Money

A day-long seminar on preparing applications for money from the Federal Treasury by Medical Society executives was held at New Orleans one day before the AMA meeting….

The Director of Administration of the San Joaquin Foundation explained "you are overworked and underpaid." In a quite confidential manner, it was explained that the government tries to find out what people want to do and then help them do it without any suggestion that governmental interference could be dangerous. Also, it was explained that government knows medical societies have small staffs and are not set up to coordinate community programs. In addition that "you have been complaining about not having help so now here is your chance to get it."

….He stressed that government recognizes the necessity of getting doctors to accept government programs. Also, how a program should be presented so doctors would buy government intervention.

A jarring note of crass reality was injected by the next program speaker, who is a representative of the Atlanta, Georgia, Foundation for Medical Care, when he said: "Despite all the talk of these experts about technicalities of filling out applications for grants, many grants are given out on the basis of political expediency—some would be approved if written on 'toilet paper.'" He should know—his medical foundation obtained a "grant."

He candidly explained why the medical society executive should go after federal money:

> (1) Self-preservation—make arrangements for funds ourselves before "they" do it to us.
>
> (2) You have a need for more dollars and grants [to] create a cash flow to provide services to members.
>
> (3) The 15 to 25% who are underserved are the profession's responsibility. Also, it sets the stage for peer review.
>
> [Furthermore,…]
>
> The Secretary of the Medical society no longer need serve prima donna doctors but can now go out and serve the entire community and solve its problems. "Our problem is not how to get conservative doctors to participate, but how to get a conservative government to let loose of more money."

The President of AAMSE [American Association of Medical Society Executives] as reported in the Onondago (New York) County Medical Society Bulletin, March 1971, page 7, wrote:

> A medical care foundation is a management system for community health services. Traditionally, it has been formed by medical societies as a separate corporation which is empowered to contract with physician members in the medical society. The contract is an explicit agreement between the Foundation and the physician and has all the force of an employment contract…. Membership on the part of a physician carries with it the responsibility of accepting all contract obligations.

The same medical staff group held a meeting prior to the Atlantic City AMA session in June under the banner of "Are You Ready?" Discussion then was about peer review, subsidy and control of doctors, and the distribution of confidentiality of information between the doctor and the patient. In fact, one of the speakers applauded at that session, a Doctor working for Blue Shield of Columbus, Ohio, said "confidentiality is a bunch of horse manure." It is sad to see any compassionate doctor slip into the role of a harsh government agent backed up by force.

The Executive Secretary of one State Medical Association is quite proud of the grants he has obtained from the federal government and pooh poohs the confidentiality issue by saying in effect that doctors just don't like to have the truth known about how they are practicing medicine, as if he had no understanding of the need for privileged communications between doctor and patient….

The participants were supplied with forms issued by HEW to apply for federal money and examples were worked out with the panel of experts.

The forms included a memorandum the Department of Health, Education and Welfare issued dated November 17th, "Information for Applicants Medical Association Staff Grants." It explains that all State Medical Associations and all County Medical Societies with membership of over 300 were surveyed and "there was unanimity of opinion … [that] their limited financial resources many times seemed to prevent their establishing programs that are in their members' and the public's best interests." Therefore, HEW instituted two projects: "(1) … Training programs for medical society executives in cooperation with three Universities"; "(2) … Grants to county and state medical associations to assist them in evaluating their need, enlarging staff appropriately and, where desired, stimulate staff reorganization."

The Question Is: "Who is Running Who for Whom?

This obvious conflict of interest is just one more reason for private doctors' disenchantment with some medical societies. You can't push a string, but you can pull it by supporting an organization that ethically represents your interests….