



Executive Committee Meeting ONLY
Tuesday, June 14,
5:30-6:30 p.m.,
BCHS Bd Rm,
NO DINNER

CCMS Executive Committee Seeking Calhoun County Medical Society Legislative Chair

Mark Your Calendars: Tuesday, September 13th, Oaklawn Hospital

Peripheral Vascular Disease – A Silent Killer, Vishal Gupta, MD, MPH, 1 CME + Dinner (paid for by dues) for all members and their guests



Speaker:
Vishal Gupta, MD,
MPH

LEGISLATIVE CHAIR DUTIES

- ◆ A desire to “watchdog” Federal and State legislative activities
- ◆ Be a liaison between physicians and legislators
- ◆ Submit legislative updates for the CCMS *Bulletin*
- ◆ Sponsor two or three informal Saturday morning Legislative Roundtables each year
- ◆ Dr. Bizon will mentor his replacement
- ◆ If interested, contact Diane Cummins at Calhoun County Medical Society at (269) 660-0893 or email at calhouncms@yahoo.com

Help Preserve Standards of Medicine: SUBMIT BOARD OF MEDICINE NOMINATIONS by June 10th

The MSMS Committee on Licensure & Discipline is taking nominations for an MSMS appointment to the Michigan Board of Medicine. Because of term limits and a change of administration, there will be at least two vacant positions at the end of the year. Physician involvement in the Board of Medicine is crucial to protecting the public and maintaining the high standards of the medical profession.

IMPORTANT NOTICE: CCMS Does NOT Store Patient Medical Records

Please don't tell your patients to call CCMS

for their Medical Records. We have never received any nor have space for storage. See pages 10 and 11 for regulations.

WHICH DO YOU PREFER: Snailmail (paper) or Email?

If you change or drop your email address, you no longer can receive short or last-minute-change event notices. Please send a quick email to calhouncms@yahoo.com to get current meeting notifications.

If you have an interest in serving on the board or learning how to serve on a board, this is a great grassroots experience.

It may be helpful to add the following websites to your Favorites list:
www.calhouncms.org
www.msms.org

CCMS EVENT CALENDAR

2nd Tuesday, 6:30pm 2011 Meeting topics:

6/14	Executive Committee ONLY—No CME, BCHS
9/13	Peripheral Vascular Disease – A Silent Killer, Vishal Gupta, MD, MPH, 1 CME, Oaklawn Hosp
10/11	Sherwood Winslow Lectureship, TBA
11/8	TBA, Jeff Jones, MD, 1 CME, BCHS
Dec.	President's Celebration, TBA
Feb. 14, 2012	TBA (Please make a recommendation)
Mar. 13, 2012	TBA (Please make a recommendation)
Apr. 10, 2012	TBA (Please make a recommendation)

President's Report



Mahesh C. Karamchandani, MD, 2011 CCMS President

Looking forward to see you at the September CCMS meeting. Have a safe and healthy summer.

U.S. Senator
Debbie Stabenow
-R
Phone
1-616-975-0052
Email: senator@stabenow.senate.gov

U.S. Representative
7th District
Tim Walberg-D
Phone
1-517-780-9075
Email: <http://walberg.house.gov>

In Michigan, the Graduate Medical Education (GME) is supported by funding from Medicaid, Medicare, and Blue Cross - Blue Shield to the teaching hospitals. This helps teaching hospitals to not only offset the cost of providing graduate medical education, but also provide care to uninsured and underinsured populations. Insufficient funding jeopardizes care of indigent population with reduction in the number of residency / fellowship / internship openings. For every \$1 funded, the state receives an additional \$2 in federal funding. Over the last decade, GME funding in Michigan has been cut by 20 percent.

The House and Senate Appropriations Subcommittees have proposed cuts in GME funding on the MDCH budget for 2012. The Senate Appropriation Subcommittee has eliminated the entire \$167 million in funding which includes \$55 million in general fund and \$112 million match in federal funds, leaving a \$100 placeholder. The House subcommittee

adopted Governor's recommendation to cut GME funding by 40 percent or \$67 million—however, we had a near-miss and it was reduced to nine percent (see page 4).

Michigan not only should maintain current level of funding for Graduate Medical Education but somehow increase the funding to continue providing access to health-care for vulnerable population and reduce physician shortage. The increase in the number of medical schools in Michigan is a positive development. However, with the proposed cuts, new graduates will end up leaving Michigan to find residency opportunities out of state at a time when we're struggling to keep doctors in state.

Although the lawmakers have declared their intention to restore some of the funding by a placeholder on the budget, it is likely that GME funding will not be fully restored to FY2011 levels. I urge you to keep an eye on this and let your state representatives and senator know how important it is to maintain GME funding.

With the election of **Dr. John Bizon** as President-elect of MSMS, **Dr. Joe Schwarz** will now fill the remainder of Dr. Bizon's term as Third District Director. Dr. Bizon also served as CCMS Legislative Chair. If you are interested in serving in that capacity please let Diane Cummins or I know.

There will not be a membership meeting in June, July or August. Our next General Medical staff meeting will be held on September 13th at Oaklawn Hospital with presentation by **Dr. Vishal Gupta** who will talk about Peripheral Vascular Disease - A Silent Killer. The Executive Committee will meet before the summer break at 5:30 p.m. on June 14th in the Battle Creek Health System Outpatient Center 2nd Floor Board Room.

Summer officially starts in about three weeks. Hope you all have a peaceful and relaxing summer. I hope to see you all at the membership meeting in September.

With Best regards,

*Mahesh
Karamchandani, MD*

If you have suggestions or comments to share, leave a voicemail at my office (269) 441-1771 or email me at karamchandanimc@trinity-health.org

VOLUNTEER TODAY: CCMS IS SEEKING A LEGISLATIVE CHAIR**State Legislative Update**

The budget agreement is reached and now the House and Senate is likely to move on to other issues. There has been a tax revision in Lansing, taxing pensions similar to other forms of retirement and non-retirement income. Business taxes have been largely reduced, as the Michigan Business tax has been substituted for a Michigan Corporate tax, a flat 6% income on profits of C-corporations. The initial estimate of tax revenues during the May estimating conference suggests that the state of Michigan may have an additional 700 million in increased tax revenues for the coming year, as the economy picks up. 200 Million of this was in the School Aid Fund and 600 million was in the General Fund. Initial cuts to education were estimated to be a couple hundred dollars per pupil, but with the additional revenue anticipated, these cuts may be in the range of 1.1%. The film tax credits have been scaled back, as have targeted incentives to favored industries, like battery manufacturers and marginally producing oil wells. Graduate Medical Education under Medicaid was scheduled for a 43% cut that now looks as if it may be largely avoided. The Governor and legislature went out of their way to protect

physician and hospital funding under Medicaid, recognizing the poor payment already offered for these services.

The following are the summaries of MSMS Legislative Director, **Colin Ford** as presented to the Executive Board at the Board meeting of April 29th:

Physician Apology Legislation – Senate Bill 53, a longstanding initiative of MSMS that would allow physicians to make admissions of sympathy without fear of that statement later being used as an admission of guilt, has passed the Senate and the House. The Legislation sponsored by **Senator Jim Marleau** (R-Lake Orion) will be presented to the Governor on April 19 for signature.

Auto No-fault – Given the change in composition of the legislature, efforts to repeal key provisions in the laws pertaining to auto no-fault will likely be raised in the coming months. Specifically, PIP Choice legislation and mandated fee schedules will be legislative initiatives with a strong probability of advancing. PIP Choice would allow drivers to purchase insurance that is insufficient to cover a serious bodily injury resulting from a crash. These patients would then end up on Medicaid. Fee schedules would result in the government setting prices for services provided by

physicians and hospitals. Currently, physicians and hospitals bill charges directly to the insurer.

Helmet Law – During her eight years in office, **former Governor Granholm** vetoed the repeal of the helmet law in Michigan on multiple occasions. However, her exit from office has resulted in an increased effort on the part of groups seeking the repeal of the helmet law to have legislation sent to **Governor Snyder**. It is not entirely clear how Governor Snyder will respond to this legislation; however, there are indications that he may continue the trend of vetoing the legislation. In any case, it will be imperative that physician grassroots activity continue in this area to provide sufficient political cover for Governor Snyder if he should decide to veto the repeal of the helmet law.

Federal Legislative Update

In 2012, Medicare is scheduled to cut doctor pay rates by 29.5 percent. **President Obama's** fiscal 2012 budget proposal would freeze payments at 2011 levels for the next ten years, according to a Congressional Budget Office report released March 18. There is a lack of consensus on what kind of pay system should replace the Medicare physician fee schedule.

John G. Bizon, MD

Legislative Report

John G. Bizon, MD, CCMS
Outgoing Legislative Chair,
President-elect,
Michigan Sate Medical Society
Email:
jbizon@msn.com

LEGISLATOR CONTACT INFO.:

Michigan 62nd District State Representative
Kate Segal-D
Phone toll free
1-888-347-8062
Email: KateSegal@house.mi.gov

Michigan 63rd District State Representative
Jase Bolger-D
Phone toll free
1-877-265-4371
Email: JamesBolger@house.mi.gov

Michigan 19th District Senator
Mike Nofs-R
Phone
269-441-1222
Email: ILikeMike@MikeNofs.com

MSMS Third District Report



**Michigan State
Medical Society**
120 W Saginaw
East Lansing, MI
48823

Main Phone:
(517) 337-1351

Website:
www.msms.org

Email:
[msms@
msms.org](mailto:msms@msms.org)

**Calhoun's MSMS
Member
Consultant,
Gary A. Huyge,**

*will be pleased to
meet with you to
answer your
MSMS*

*membership
questions.*

*To schedule
a visit, please
contact him at*

Email

*[GHuyge@msms
.org.](mailto:GHuyge@msms.org)*

MSMS EVENT CALENDAR

Date	Topic
RSVP	For more information , please contact Jody Roethele at (517) 336-5734 or jroethele@msms.org . To register, phone MSMS registrar at (517) 336-5785. See www.msms.org/Education for more educational opportunities.
Tues., 6/7	2 Conferences: 1) Coding for OB/GYN, 2) Coding for Pediatrics Hilton Airport, 4747 28th St SE, Grand Rapids, members \$125 / nonmembers \$175 each
1) 9:00a— Noon	
2) 1:00— 4:00p	
Thurs., 6/9	Health Care Quality Symposium, Radisson Hotel, 111 N. Grand, Lansing, includes continental breakfast & lunch, \$150
8:15— 4:00	
Thurs., 6/9	Assessing Your Practice – Deciding What to Do, How To Do It, and When to Do It Hilton Airport, 4747 28th St SE, Grand Rapids, includes continental breakfast & lunch, \$125
9:00— 4:00	
Wed., 6/15	Health Information Technology (HIT) Symposium, Birmingham Conference Center, Beverly Hills, includes continental breakfast & lunch, \$150
8:30— 3:30	
Wed.— Sat., 10/26 — 10/29	146th Annual MSMS Scientific Meeting, Somerset Inn, Troy

Medicaid Budget Protected, GME Funding Largely Restored

The Fiscal Year (FY) 2012 Michigan Department of Community Health budget has been submitted to **Governor Rick Snyder** last week for his signature. The budget maintains reimbursement levels for Medicaid providers and largely restores a proposed cut to graduate medical education (GME) funding. **(The proposed 40 percent cut to GME was reduced to nine percent.)**

"The Snyder administration and state legislature have chosen to protect Medicaid in the FY 2012 budget, a program on which 1.9 million residents rely for critical services. In addition, we are pleased that GME funding was largely restored," MSMS Executive Director Julie L. Novak said in a statement.

MSMS Continues ACO Dialogue at Leadership Summit – Take Short ACO Survey!

May 26th at the MSMS Leadership Summit in Lansing, **David A. Share, MD, MPH**, Executive Medical Director for Health Care Quality, BCBSM, and MSMS Board member, spoke about Blue Cross's Physician Group Incentive Program (PGIP) and Organized Systems of Care (Blue Cross's version of accountable care organi-

zations) and their efforts to bring physicians into that community. Some of his key quotes:

"Change shouldn't come from the top down. PGIP is all about catalyzing systems change at the community [PO] level."

"This isn't a competition between physicians and hospitals or between primary care and specialties. Everyone needs to work together."

"We want to 'right-size' local and regional systems of care. Instead of being volume-driven, we want them to be value-driven."

MSMS Survey: Share Your Thoughts about ACO Guidelines

MSMS will be preparing an official response to the Centers for Medicare & Medicaid Services' **proposed framework** for **ACOs**, and we want to know what you think about it. **Please take this short survey at <http://www.informz.net/survistapro/s.asp?id=4560>**

AMA Calls for Changes to Antitrust Enforcement of ACOs

May 26th, the AMA submitted **comments** to the **Federal Trade Commission** and **Department of Justice** regarding their proposed policy regarding antitrust enforcement of ACOs.

Continued on page 5>

Third District Report
 < *Continued from page 4*

**Don't Miss Expert
 Grena Porto June 9th at
 Health Care Quality
 Symposium**

To further the MSMS Board's Strategic Planning Priority on Quality & Safety, the inaugural Health Care Quality Symposium will be presented by the MSMS Foundation on **Thursday, June 9, 8:30am – 4:00pm, at the Radisson Hotel in Lansing.** Featured speaker **Grena Porto**, Founder and Principal, Quality, Risk and Safety Healthcare Consulting, LLC, will present "Ethical Challenges for Health Care Quality Professionals."

**HIT Question:
 For the Medicaid EHR
 Incentive Program,
 Can a Provider Include
 Encounters in His/Her
 Medicaid Patient
 Volume Calculation
 Numerator If Medicaid
 Did Not Pay for the
 Service?**

A: The definitions of "encounter" for both needy individual and Medicaid patient volume account for situations where "Medicaid paid all or part of the individual's premiums, copayments, and cost-sharing." This will include individuals, such as Qualified Medicare Beneficiaries (QMBs), where Medicare may pay for the encoun-

ter, but the State Medicaid program is required to pay for the individuals' Medicare Part B premiums.

Register online for MSMS HIT Symposium June 15th in Beverly Hills (see calendar on pg. 4).

**Read May 31
 Medigram; Michigan
 Medicine Features
 MDCH's Olga Dazzo**

The May/June issue of *Michigan Medicine* magazine includes "New MDCH Director Brings Strong Health Plan Background to Top State Health Post." Olga Dazzo heads up one of the largest of the state's 18 departments, with a \$14 billion annual budget and 4,000-plus-employees. It encompasses Michigan's Medicaid program, and covers public health, mental and behavioral health, drug control policy and matters related to aging. Our cover story profiles Ms. Dazzo's experience and her perspective on budget challenges and departmental priorities under **Governor Rick Snyder's** administration. Also in this issue: Keynoter Sees National Trends in Medical Home Movement; When Investing, Diversification is a Virtue; MSMS Recognizes Maternal & Perinatal Health Champions; and more. Read the entire issue at www.msms.org/michiganmedicine.

CCMS Report

**MEMBERSHIP
 UPDATE**

As of 5/31/11, we have 146 active members and 66 retired members totaling 212 members.

**2nd Reading New
 Member Status**

Nolan P. Hathaway, MD,
 Ophthalmology, South
 Michigan Ophthalmol-
 ogy, Marshall

Sajid Hussain, MD, Child
 and Adolescent Psy-
 chiatry, Summit
 Pointe, Battle Creek

CCMS Alliance

The annual CCMSA Spring luncheon at Southern Exposure on May 26 was attended by five members and one guest. The cozy atmosphere of the 'Hog House' cheered us on a dreary spring day, as did the enchanting garden surroundings. Due to a change in scholarship selection processes at the BCCF, nursing scholarship recipients have not yet been chosen. It is noted that **Roshan Karamchandani** will serve as county president for the next year, and dues membership forms are being sent out. If you do not receive one by June 1st, please access on-line at the Michigan State Medical Society website, alliance link, or on the CCMS website.



2011 CCMS Executive Committee

at the
5:30
meetings...

President - Mahesh C.
Karamchandani, MD

President-elect- Lokesh R.
Edara, MD

Vice President - Gunjana
Bhandari, MD

Secretary / Treasurer -
William J. Comai, DO

Immediate Past
President - Christopher
M. Flynn, MD

3rd District Director /
Legislative Chair - John
G. Bizon, MD

Michigan Society of
Hematology &
Oncology - Stephen L.
Smiley, MD

Trustees (3-Year Terms)

Catherine Reid, MD,
exp. 2011

Reza Tehrani, MD, exp. 2011

Sridhar Chalasani, MD,
exp. 2012

Maddur Badarinath, MD,
exp. 2012

Zarius Drummond, MD, exp.
2013

Karl Loomis, MD, exp. 2013

MSMS Delegates (1-Year Term)

Raakesh C. Bhan, MD

B. Douglas Campbell, MD

James H. Timmons, MD, PhD

Paul A. Walk, MD

Alternate Delegates (1-Year Term)

Thomas Dobbins, MD

Daniel C. Hood, MD

Jeff M. Jones, MD

Tarek Elshaarawy, MD

Elkmoss Corner: "Blogging"

Blogging is a relatively new term in the computer world, apparently arising in 1997 when the term "web log" was shortened to "blog". The noun then became "verbalized" to blogging, and has rapidly become quite popular. I still refuse to get involved on Facebook, let alone blogging, but Mrs. Elkmoss participates. I believe much of her addiction came from getting incensed at *Swampville Gazette* editorials and finding the newspaper's blog site. I use the term addiction because she can spend hours upon hours at the kitchen table with her laptop responding to what she considers uninformed people making comments about which they know nothing. She is a very insightful commentator which tends to tick off the host and has been kicked off at least three times I know of. (Probably more if the TruthBeKnown- her latest blogging name). Each time she is terminated, she swears she is done with blogging, but like a moth drawn to a flame, she retools and comes back again.

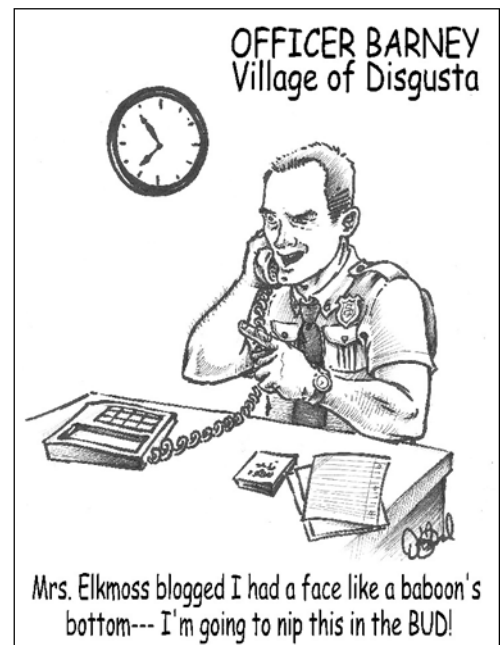
I have to admit that, for once, her participation in blogging on our newspaper's site was justified. The original story involved a certain Officer Barney, a policeman from the nearby village of Disgusta. It was a small story about Barney flipping his cop car over while supposedly chasing down a speeder. The "criminal" got away and Barney was unhurt, but he had to be extracted with the Jaws-of-Life and the cruiser was demolished.

One would think that the story would not get much attention, but Barney was notorious in Swampville. He operated a speed trap that had nailed many folks driving through his little town, including Mrs. Elkmoss. Mrs. Elkmoss described his technique of waiting just at the right spot where the speed limit suddenly changes from 55 MPH to 35 MPH. Even if the vehicle is going 37 MPH, he pulls the car over and issues a ticket. Barney usually waits quite a bit before starting after the offender (or should I say alleged offender?) so

he can speed up with lights glaring in a show of power.

Since Mrs. Elkmoss had an encounter with Officer Barney that ended poorly for her, she immediately set upon the blogging site to make a comment on the story. To her amazement, there were more than fifty blogs already listed and as she counted them, four more came in! This, she told me (and I had to believe her since she is constantly on the blog site), was an all time record for any news story in the history blogging on the *Swampville Gazette* site. All of the bloggers had something nasty to say about Officer Barney and

Continued on page 7 >



Elkmoss Corner*< Continued from page 6*

a great deal of sympathy for the driver he was chasing (probably going less than 40 MPH and had no idea he was being chased).

A couple of weeks later after all the blogging about Officer Barney had died down, there was another small article in the paper about him. He had been relieved of duty. The police chief made special note that it was not just because he destroyed the only police car in Disgusta, but for a variety of reasons he did not feel Barney was "a good fit for our community."

The announcement generated some more blogs, but not nearly as many as the ones filed with the accident story. Mrs. Elkmoss could not resist making a comment herself. She expressed the hope that before leaving, he had turned in the one bullet allotted to him!

I think the moderator terminated her privileges... again!!! ;)



*Herman J.
Elkmoss,
MD*

Health Care Delivery Advocacy: Patient Bad Debt, ACO Feedback

Patient Bad Debt

MSMS staff has had many discussions with Blue Cross Blue Shield of Michigan (BCBSM) regarding the increase in patient bad debt in physician practices. MSMS will have this discussion with other payers, but we started with BCBSM because they are the largest payer in Michigan.

The challenging economy has greatly impacted the bad debt ratio in physician offices and MSMS does not feel it is a burden physicians must bear alone. The health plans and employer groups can play a role in supporting physicians in collecting for deductibles, copays and non-covered service. After all, it is the employer groups and health plans that negotiate what benefits the customers will have, as well as what out-of-pocket expenses they will be responsible for. Unfortunately, that leaves the role of bill collector to the physician and his/her staff.

MSMS has asked BCBSM to consider the following:

Copays listed on insurance cards. Stronger language on the subscriber's Explanation of

Benefits (EOB). "You owe," "your balance," or "patient responsibility," not "You may owe."

Information sent out to customers that clearly outlines financial responsibility.

A mechanism for physicians to report patients who continuously do not pay their out-of-pocket expenses to the physician office, and a response by the payer to the customer reminding them of their financial obligation.

Educate customers and employer groups on what is covered and at what financial level (i.e., deductible and copay amounts).

BCBSM will be adding copays to the insurance cards as new cards are printed. This is a gradual process as new groups are added to the Michigan Operating System (MOS). This should eliminate the patient denying knowledge of their copay obligations. It also will make it easier for the physician office to collect defined copays before the patient is taken back to the exam room.

BCBSM also has changed the language on the EOB to clarify what

Continued on page 8 >

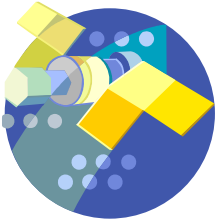
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- ◆ SIGN UP 269-929-2901 or gale@spiritualcareconsultants.com

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< Continued from page 7

the patient's financial obligation is for that date of service. BCBSM has published two articles in the *Living Healthy* magazine (customer magazine) related to educating customers on financial obligations.

MSMS will continue this discussion with every payer we meet with this year. We will continue to report any changes payers make that will help physicians in collecting what is due to them in a timely manner.

Accountable Care Organizations

The Centers for Medicare and Medicaid Services (CMS) recently released its proposed rules for Accountable Care Organizations (ACOs) under the Patient Protection and Affordable Care Act's Medicare Shared Savings Program (Section 3022). CMS's intent is to provide the framework to enable ACOs to help physicians, hospitals, and other health care providers better coordinate care for Medicare patients across all care settings. In addition to improving the coordination and quality of care, CMS expects ACOs to lower the growth of health care costs and enable ACO participants who meet certain per-

formance standards to share in those savings.

On May 18, MSMS hosted CMS representatives at an "open forum" in Grand Rapids, Michigan, to discuss the proposed new rules for ACOs. In-person and call-in participants were given an overview of the proposed rule and an opportunity to ask questions of CMS.

To view the proposed ACO regulation and CMS-created fact sheets, visit: <http://www.cms.gov/sharedsavingsprogram/>.

There is a 60-day public comment period on CMS's proposed ACO rule. If you would like to comment on the rule directly, please note the following instructions for submitting comments to CMS:

To be assured consideration, comments must be received at one of the addresses provided below, **no later than 5:00 p.m. on June 6, 2011.**

When commenting, please refer to file code CMS-1345-P. Because of staff and resource limitations, CMS cannot accept comments by fax. You may submit comments in one of four ways (please choose only one of the ways listed):

Electronically. You may submit electronic comments on this regulation to <http://www.regulations.gov>. Follow the "Submit a com-

ment" instructions.

By regular mail. You may mail written comments to the following address ONLY: Centers for Medicare & Medicaid Services, Department of Health and Human Services, Attention: CMS-1345-P, P.O. Box 8013, Baltimore, MD 21244-8013.

Please allow sufficient time for mailed comments to be received before the close of the comment period.

By express or overnight mail. You may send written comments to the following address only: Centers for Medicare & Medicaid Services, Department of Health and Human Services, Attention: CMS-1345-P, Mail Stop C4-26-05, 7500 Security Boulevard, Baltimore, MD 21244-1850.

If you have specific concerns or recommendations you would like MSMS to consider as we prepare our official response for submission to CMS, please forward them to Stacey Hettiger at shettiger@msms.org.

For more information about reimbursement issues, contact Stacie Saylor, CPC, at MSMS at 517-336-5722 or ssaylor@msms.org. For more news and information, visit <http://www.msms.org/> where you can read *Medigram* and *Michigan Medicine* online.

Timothy M. Wendt, CFP®
Associate

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Community HealthCare Connections
(formerly Nursing Clinic of Battle Creek)

On the Move! Mobile Clinic Hits the Road

We are pleased to announce the launch of the mobile clinic! On April 8th, our pilot mobile medical clinic began to travel to different locations in the community two days a week. Goal: to reach those who are not currently accessing medical care due to homelessness, poverty, lack of insurance, etc.

With Battle Creek Health System’s Care-A-Van as the mobile clinic, we are able to provide acute care, referral, and patient advocacy services anywhere in the community. Almost 100% of those we’ve seen don’t have a medical provider. This means that we’re achieving our goal of reaching those who aren’t receiving care at all.

In the first six days, we saw 100 patients. We are reaching the homeless by parking the van in the parking lot of the Share Center, a homeless day center in Battle Creek. We also target those whose primary language is Spanish by parking the van in the parking lot of Voces Hispanic

Community Center, Main Street Market, and Mexicana Market. We reach out to those who cannot get to us because of geography and transportation by going to Springfield City Hall, Tekonsha Community Center, and Homer Community Center.

We’re partnering with community organizations to reach those who need us, including Michigan Works!, the Fountain Clinic (the Amish population), Battle Creek Community Foundation (four “schools as neighborhood anchors” schools), Wash-

ington Heights Community House, Freedom Acres Neighborhood, Summit Pointe (downtown virtual school), and others.

Volunteer medical providers are needed to travel with the mobile clinic or cover the home clinic

Donations are still needed to pay for medical supplies and medicine used in the mobile clinic. *Contact Samantha Pearl at (269) 969-6461 or spearl@chconnections.org to volunteer or donate.*

Donations Accepted

For your **useful equipment and medication disposal**, please consider donations to Community HealthCare Connections

Samantha Pearl,

Executive Director
190 East Michigan Avenue, Suite 385
Battle Creek, MI 49014
(269) 969-6461
spearl@chconnections.org



Michigan State Medical Society Legal Alert

Health Law Update

Disposition of a Medical Practice

By Daniel J. Schulte, JD, Kerr, Russell and Weber, PLC, MSMS Legal Counsel

Updated January, 2008

Many physicians are looking forward to retirement. They often have questions regarding what will need to be done to transition their practice, what they can be doing now to prepare and how the process generally works. This Legal Alert addresses many of the common questions. Much of the information is taken from a previous MSMS publication on this topic. The sources used in preparing that publication are cited on the last page.

A medical practice does not have to end with a physician's retirement. A practice may have inherent value which derives from intangible, as well as tangible assets. The decision to simply close versus a sale of the practice should involve consideration of several issues. If you have already made the decision to sell, the following discussion will provide you with guidelines on implementing your plan.

1. **Selling a practice requires planning ahead.** Having your practice appraised can be time consuming and expensive. Closing the doors and walking away may simplify things in some respects, but make things more complicated in other ways. The more lead time you have in terms of planning and implementing a transition, the greater your chances of realizing the true worth of your practice. Sound planning can also enable you to reduce liability risk by giving careful attention to continuity and medical records issues. Planning will also be required to comply with Amendments to Michigan's Public Health Code that became law on December 19, 2006 (the "2006 Medical Record Law"). These Amendments impose new legal requirements on physicians who sell or close their practice.
2. **What is the practice worth?** There is more to placing a value on your practice than inventorying the building, furnishings and equipment. Doing this type of an appraisal requires an expert who can evaluate all of the assets, both tangible and intangible. This involves applying financial theory in the context of how a medical practice works.

Value is most commonly determined by an evaluation of the practice's potential for future revenue streams and cash flow. The most valuable assets are the intangible assets (patient lists, patient records, practice location, competent staff, etc.) and the "goodwill" generated by the physician as a result of providing quality care over the years. When patient records are in place and patients know and trust the staff and are familiar with the office, chances are good that they will not leave the practice.



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PUBLIC HEALTH CODE (EXCERPT)
Act 368 of 1978

333.16213 Retention of records.

Sec. 16213. (1) An individual licensed under this article shall keep and maintain a record for each patient for whom he or she has provided medical services, including a full and complete record of tests and examinations performed, observations made, and treatments provided. Unless a longer retention period is otherwise required under federal or state laws or regulations or by generally accepted standards of medical practice, a licensee shall keep and retain each record for a minimum of 7 years from the date of service to which the record pertains. The records shall be maintained in such a manner as to protect their integrity, to ensure their confidentiality and proper use, and to ensure their accessibility and availability to each patient or his or her authorized representative as required by law. A licensee may destroy a record that is less than 7 years old only if both of the following are satisfied:

(a) The licensee sends a written notice to the patient at the last known address of that patient informing the patient that the record is about to be destroyed, offering the patient the opportunity to request a copy of that record, and requesting the patient's written authorization to destroy the record.

(b) The licensee receives written authorization from the patient or his or her authorized representative agreeing to the destruction of the record.

(2) If a licensee is unable to comply with this section, the licensee shall employ or contract, arrange, or enter into an agreement with another health care provider, a health facility or agency, or a medical records company to protect, maintain, and provide access to those records required under subsection (1).

(3) If a licensee or registrant sells or closes his or her practice, retires from practice, or otherwise ceases to practice under this article, the licensee or the personal representative of the licensee, if the licensee is deceased, shall not abandon the records required under this section and shall send a written notice to the department that specifies who will have custody of the medical records and how a patient may request access to or copies of his or her medical records and shall do either of the following:

(a) Transfer the records required under subsection (1) to any of the following:

(i) A successor licensee.

(ii) If requested by the patient or his or her authorized representative, to the patient or a specific health facility or agency or other health care provider licensed under article 15.

(iii) A health care provider, a health facility or agency, or a medical records company with which the licensee had contracted or entered into an agreement to protect, maintain, and provide access to those records required under subsection (1).

(b) In accordance with subsection (1), as long as the licensee or the personal representative of the licensee, if the licensee is deceased, sends a written notice to the last known address of each patient for whom he or she has provided medical services and receives written authorization from the patient or his or her authorized representative, destroy the records required under subsection (1). The notice shall provide the patient with 30 days to request a copy of his or her record or to designate where he or she would like his or her medical records transferred and shall request from the patient within 30 days written authorization for the destruction of his or her medical records. If the patient fails to request a copy or transfer of his or her medical records or to provide the licensee with written authorization for the destruction, then the licensee or the personal representative of the licensee shall not destroy those records that are less than 7 years old but may destroy, in accordance with subsection (4), those that are 7 years old or older.

(4) Except as otherwise provided under this section or federal or state laws and regulations, records required to be maintained under subsection (1) may be destroyed or otherwise disposed of after being maintained for 7 years. If records maintained in accordance with this section are subsequently destroyed or otherwise disposed of, those records shall be shredded, incinerated, electronically deleted, or otherwise disposed of in a manner that ensures continued confidentiality of the patient's health care information and any other personal information relating to the patient. If records are destroyed or otherwise disposed of as provided under this subsection, the department may take action including, but not limited to, contracting for or making other arrangements to ensure that those records and any other confidential identifying information related to the patient are properly destroyed or disposed of to protect the confidentiality of patient's health care information and any other personal information relating to the patient. Before the department takes action in accordance with this subsection, the department, if able to identify the licensee responsible for the improper destruction or disposal of the medical records at issue, shall send a written notice to that licensee at his or her last known address or place of business on file with the department and provide the licensee with an opportunity to properly destroy or dispose of those medical records as required under this subsection unless a delay in the proper destruction or disposal may compromise the patient's confidentiality. The department may

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Articles submitted and opinions
expressed in *The Bulletin* are **views of
the writer and not necessarily those of
Calhoun County Medical Society**. Articles
must have author's signature, address
and phone. They can be sent to Calhoun
County Medical Society at the address
above.

NEWSLETTER DEADLINE:
*The 20th day of each month
prior to published month.*

A Nonprofit Physician's Professional Organization

BIOGRAPHY: A Society is a group of professionals with a common trade that offers networking and referrals, professional development and educational opportunities. The medical society offers enhanced services at the county level, guided by the professional state level. Calhoun County formed one of the earliest medical societies in the state of Michigan in 1839; Michigan State Medical Society formed in 1866.

MISSION STATEMENT: The purpose of the Calhoun County Medical Society / Michigan State Medical Society is to offer opportunities for networking, leadership and mentoring, grassroots medical legislative involvement, continuing medical educational needs along with personal and professional support services at the county, state, or national levels.

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WEBSITE...**

www.calhouncms.org

OTHER RELATED WEBSITES:

<http://www.msms.org>

<http://www.mdpac.org>

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