

Managed Care Shortchanges the Future of Health

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MANAGED CARE is forcing medical practice to cut costs, but it may also force medical education to be cut back. Managed care organizations are reducing payments to hospitals and physicians who train medical students and recent graduates. This financial squeeze is a sign that the future of patient care may be in danger.

Where managed care eliminates waste and increases efficiency, it makes a valuable contribution. But one person's waste is another person's lifeline. The efficiency that can streamline an insurance office does not translate well to medical education.

More than half of medical education takes place in teaching hospitals and outpatient clinics. After spending one to two years learning science in classrooms and laboratories, medical students move to the bedside to learn the art of caring for patients. They spend the rest of their four medical school years as apprentices to licensed physicians who are members of the medical school faculty. These physicians called clinical faculty because they teach by demonstration "in the clinic" instead of lecturing in the classroom supervise students learning new skills with real patients.

After earning their M.D. degree, medical school graduates also spend several years as residents and fellows gaining specialized training in medicine, surgery or pediatrics, then in subspecialties, like cardiology, neurosurgery and oncology. Because medicine requires practice and judgment, as well as scientific knowledge, new physicians are not competent to treat patients without this level of hands on training from experienced clinical faculty.

Managed care organizations expect their physicians to know how to treat patients effectively and efficiently, but they do not pay for the education and training required to become proficient. Hospitals pay clinical faculty for their teaching services from general hospital revenues.

Until recently, both government and commercial health insurers effectively subsidized medical education by paying more than the actual cost of patient care. Those days are gone. These organizations pay hospitals and physicians only for direct patient care, not teaching. And payments don't always cover even those costs because they are based on what it should ideally cost to treat patients efficiently. Nothing is left over that can be used for teaching.

As these organizations reduced payments for inpatient hospital care, more medical care shifted to the outpatient setting, and medical education followed the patients. As a result, students no longer spend as much time learning about the care of seriously ill patients in the hospital. And, since many patients return after the student has moved to another office or clinic, there are fewer opportunities to study the ways a disease progresses or assess the effects of long term treatment.

Managed care companies also expect physicians to be more productive, seeing more and more patients every day. This leaves little time to teach. For example, a physician who is paid for

seeing one patient every 10 minutes cannot spend the extra 15 to 30 minutes needed to show a student how to diagnose or treat the patient without shortchanging other patients or working extra hours.

It is more "efficient" for the experienced faculty member to treat the patient without teaching the student.

Managed care's focus on the cost of medical care undermines the very medical education on which it depends for its efficiency and profitability. By paying nothing toward training future physicians, these insurance companies are building a wall between medical education and medical care. The consequence may be physicians who are ill prepared to treat patients at all.

Managed care organizations have a vital interest in how future physicians are educated. They should match those expectations with financial support. The best way to accomplish this would be to impose an education tax on managed care premiums that reflects the fact that the quality of care these organizations provide patients and their profitability depends on education. Tax revenues could be distributed among hospitals and clinics to pay for teaching.

The alternative increasingly the reality is to rely on government and charity to fund education. Medical graduates can return the favor by practicing in underserved areas, as in the national health service program, although that program has limited resources. Some medical schools have begun to seek private donations to create endowments to pay clinical faculty just to preserve some measure of education in the hospital and clinic.

Effective medical education is necessary for effective medical care. In the short run, managed care may avoid paying for medical education to achieve its own short term financial goals, but it cannot provide much less improve medical care in the long run without well educated physicians. Managed care taught us that medical care has a price. It is time for managed care to learn that medical education also has a price and to pay it.