

July 4, 1993

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Mr. Scully,

We praise your determination to reform the nation's Health Care. Your leadership is most important to all Americans. The enclosed documents may be very helpful to you and other congressmen.

MANAGED COMPETITION is an untested theory. In practice, no one including Prof. Enthoven, President Clinton and their supporters, know whether it is going to work or cause more harm to the society !

In capitalism, **COMPETITION** means " **CUT-THROAT**". It works for selling merchandise. In Health Care, we are selling services to **PATIENTS** whose lives are at risk if they are treated as merchandise under competition: HMOs will compete with each other to reduce premiums. This reduction will pass along to the **PRIMARY CARE PHYSICIANS (PCPs)** in the form of **CAPITATION** (\$8 reduced to \$1). The result will be very poor quality of care or bankruptcy of primary care providers. Patients' lives are the merchandise of the competing corporations !

Who are managing the "**MANAGED CARE**"? They are the business executives **FOR HMOs and IPAs**, not the PCPs (the so called **GATEKEEPERS**). In fact, nowadays PCPs are actually the **SECRETARIES** for the "**REAL GATE-KEEPERS**", the owners of the HMOs, IPAs and Medical Groups who make the profits ! PCPs have no real power to determine who will get what medical services and when! Therefore by **MANAGED COMPETITION**, patients' lives are at risk, because patients are the merchandise of corporations ! Physicians' medical judgment will be impaired by the profitability of IPAs or HMOs **DOCTOR-CONSUMERS WILL BE THE LOSERS. Big CORPORATIONS WILL BE THE WINNERS !**

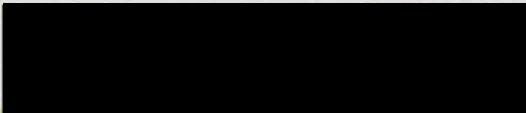
WHO OWNS THE PATIENTS in an HMO plan? Do the patients have the right to choose their own doctors ? **NO !** At the present time, HMOs and IPAs own the merchandise: the patients. Many IPAs force physicians to sign "take-it-or-leave-it contract" with a **RESTRICTIVE AGREEMENT** prohibiting the physicians to take patients with them if their contracts with the HMOs or IPAs are terminated ! Patients' rights are violated ! Another clause will terminate **PCPs' contracts immediately or within 30 days "WITHOUT CAUSE"** - PCPs can be fired immediately ! they can lose their patients and close their doors in just one day ! Both patients and Physicians rights are violated ! Traditionally, Primary Care Physicians own the patients and good doctor-patient relationship was maintained. Now this relationship is disturbed. (enclosed typical IPA contracts).

CAPITATION: a way for HMOs to cut cost and make profits. It contains an intrinsic flaw: it allows HMOs and IPAs to keep more profits by not assigning some patients to PCPs and not being caught ! (LA Times: Big Dental Plan Cheats). In fact, this is not an isolated case, it is a common that HMOs and IPAs retain some enrollees not assigned to any PCPs !

CAPITATION: a mechanism of **CAPITALISTIC COMMUNISM** invented by HMO which is protected by the Knox-Kneene Acts enacted by our congress !

The enclosed documents tell the true story of what occurs in the real world with **CAPITATED HMO plans**. The IPA contracts show how HMO IPAs treat my doctors, PCPs like slaves ! And the slaves will treat their patients like animals !. Consumers are the losers ! Do the politicians know this ?

Please support a **SINGLE PAYOR FEE FOR SERVICE SYSTEM** to get rid of the middlemen ! I am sure most of Americans and their doctors will support this plan. **SUPPORT A SINGLE PAYOR MEDICAL IRA PLAN!**



July 4, 1993

Dear President and Mrs Clinton,

We support the basic principles for Health Care Reform you presented in your speech on several occasions broadcasted on TV.

The enclosed informations obtained from various sources including our family doctors are specifics that your Medical and Economic Advisors may not know. It may be helpful to you.

You are intelligent in emphasizing (1). PREVENTIVE MEDICINE AND PRIMARY CARE SERVICES and (2). RIGHT TO CHOOSE OWN DOCTORS.


However, how are you going to ensure primary care quality if the owners of HMOs and IPAs (Independent Practice Associations) make all the profits and leave only a small amount of premiums for Primary Care Physicians (PCPs) and treat them like their slaves ! (please read the enclosed IPA contract - the most popular one). How can my doctors survive on a CAPITATION of an average of \$8 (from \$ 6 to \$10) ? He cannot even pay his overhead expenses ! For this \$8, he has to work 24 hours/ week, 365 days/ year on- call including Office visits, Emergency visits, Nursing Home visits and HOME visits plus his overhead ! But HMOs and IPAs get ALL the profits ! And yet he can be fired anytime. In just one day, he will lose his job and patients with whom he has spent all his life to build up good relationship ! (read contract: IMMEDIATE TERMINATION WITHOUT CAUSE). And he has noright to appeal ! PCPs are prevented to bargain with HMOs and IPAs regarding these contracts. IT IS ANTITRUST if doctors refuse to be slaves and bargain collectively with them. My doctors told me, many of them are very frustrated and will retire earlier or change professions.

How are you going to solve the problem of shortage of Primary Care if you want an Universal health coverage, but PCPs are treated like slaves of HMOs and IPAs ? The older PCPs will be gone, the young medical students will NOT enter Primary Care if this system of HMO and ANTITRUST LAWS are not going to change ! You will get PARAMEDICALS to be Primary Care at a cost of POOR CARE !

PATIENTS' FREEDOM TO CHOOSE THEIR OWN DOCTORS and HEALTH PLANS Sure! In California, most of the doctors have already been forced to sign " Take-it-or-leave-it" HMO contracts. Therefore, "FREEDOM OF CHOOSE" is meaningless if HMOs were the only plans to survive due to the unfair advantage that HMOs are protected by the KNOX-KNEENE ACTS and HMO doctors are the only doctors to choose from. (During the past few years, large insurance companies have increased premiums for INDEMNITY insurance 15-40% annually to force employees to choose cheaper HMO plans which are more profitable.

We MUST support a SINGLE PAYOR Medical IRA system which will eliminate most of the middlemen (HMOs and IPAs). Let patients, rather than the MIDDLEMEN, to decide how to manage their money and choose their own providers on a competitive basis.

We praise your and the Congress' effort to overhaul the Health Care System and hope you will be successful. American people deserves a better system then HMO or managed competition which will corrupt the entire Health Care System. With Best Regards,


cc: Washington Post, New York Times, ABC, NBC, CBS, CNN, C-Span and congressmen.