

# In Race for Medibucks, the City's Poor Lose

By WILLIAM SHERMAN

(Ninth of a Series)

Medicaid was launched in 1966 with two major goals: quality care for the poor, and freedom for the patient to choose his own doctor. Both ideals, so proudly hailed at the beginning, have been buried in the grab for the medicaid dollar.

In New York City this year, about \$1.3 billion will be spent on medical assistance for the poor—as much as all other welfare costs combined. Of that sum, about \$180 million will go to physicians, dentists, and other individual providers while the rest will be paid out to hospitals, nursing homes and other institutions.

Most doctors refuse medicaid patients, and city records show that only 3,000 of about 23,000 doctors here have ever taken a medicaid case.

## 4% Get Lion's Share

Only a small proportion of doctors see medicaid patients on a regular basis. Only 4% of those licensed to practice here are receiving 80% of the medicaid payments to doctors.

The major reason: Few doctors are situated in poor neighborhoods where those eligible for medicaid live.

"Doctors simply do not want to practice in black or Puerto Rican neighborhoods," says Rep. Herman Badillo (D-Bronx).

Another reason most physicians shun medicaid is that the system pays general practitioners only \$5.20 for a patient's first visit and \$4.16 for subsequent visits. Doctors interviewed say those fees are not worth their time.

Yesterday's disclosure in THE NEWS that some medicaid fees will be raised 25% to 50% was not expected to greatly increase the number of health care providers participating in medicaid.

Last year, 1,457,168 people here were eligible for medicaid. Most of them, records show, live in depressed areas.

So, some doctors and entrepreneurs set up group medicaid centers in those neighborhoods, including multiservice con-

glomerates of physicians, dentists, podiatrists, chiropractors, psychiatrists, optometrists and pharmacies.

Working together in a large center with no competition from other practitioners, those professionals found not only that they could survive on medicaid payments, but in many cases could realize huge profits, THE NEWS Medicaid Probe found.

One radiologist got \$310,420 in medicaid payments during the first six months of last year; a laboratory processing medicaid patients' tests made \$616,052 in the same period, and a doctor working in Harlem earned \$98,862 at the same time.

In some of the centers, patients were rammed through ex-

## MEDICAID PROBE



aming rooms at the rate of one every five minutes. One doctor saw patients at the rate of one every two minutes. The result was low-quality or improper care.

Health Department records show that in some cases, patients were not treated for diseases found in lab tests, records were sloppy and insufficient, and patients were passed from specialist to specialist, regardless of their specific complaints. Meanwhile, there were people in waiting rooms with serious illnesses.

The alternative for the medicaid patient, says Seymour Budoff, director of the city's medicaid program, "is to wait until he gets sick enough to be admitted to a hospital."

"Or he can travel to a clinic and be treated, but there the city must reimburse the clinic at upward of \$30 a visit. A private physician would see that same patient, if he paid cash, for \$15."

"The result was that even for minor ailments like colds,

(Continued on page 10, col. 1)



Seymour Budoff, director of city medicaid program, discussing procedures for patients.

# Medibucks Race: The Poor Lose

(Continued from page 5)

medicaid patients chose the clinics and the hospitals," said Budoff.

Eligibility restrictions were tightened, the number of medicaid recipients is less than it was six years ago, and physicians' medicaid rates were cut by the state Legislature in 1969, but medicaid costs have soared.

In fact, between 1970 and 1971 costs nearly doubled from \$668.3 million to \$1.12 billion. The total cost is now \$1.3 billion. It will increase at an estimated 10% a year and by 1983 will have reached \$2.4 billion, city officials say.

What happened to the patients' freedom of choice?

"The doctor is the man who has the freedom of choice, the right to accept or reject a patient, and not the welfare client. Freedom of choice does not exist for the medicaid recipient," Budoff said.

### Would Create Centers

"And the quality of care is lousy because many practitioners use the system for personal gain instead of for providing good health care," he said.

One solution, Budoff says, is to create "lower-cost neighborhood health centers for medicaid patients.

His proposals for medicaid are:  
● End freedom of choice — it doesn't exist in practice anyway — and create a network of neighborhood health centers where medicaid patients would go for care.

● Pay doctors a flat salary of \$35,000 or \$40,000 a year to work in the centers instead of paying them on a per-patient basis.

● Pay pharmacists, optometrists, dentists and all other professionals on a salary basis to work in the centers.

● Have the city buy eyeglasses, hearing aids, drugs, and other medical supplies on a wholesale basis and let professionals prescribe them for patients at the centers instead of paying professionals for resale and profit.

● Begin a program of preventive medicine, including immunizations and annual checkups.

● Use city and volunteer hospitals as a backup system instead of as a repository for people who can't find care anywhere else.

● Pay physicians a salary for house visits. "It's certainly cheaper than the \$120-a-day average medicaid rate we're paying hospitals now for people who could be cared for at home," Budoff said.

● Hospitalization would be authorized by a doctor at a health center. Emergency cases would be handled immediately.

"All of this could be paid for with medicaid money and we could save \$100 million per year and give people high-quality care," said Budoff.

He said the health centers would be managed by the city, and the city would directly audit doctors and other professionals.

"Now we have very little au-

diting power over physicians and the group medicaid centers. This system would save the taxpayers money and give the poor the

quality of care that was promised seven years ago," he said.  
NEXT: Doctor worth of \$400,000 a year.

HOTEL & RESTAURANT

HOTEL & RESTAURANT

## What has Sheraton done for you lately?



Sheraton is building lots of exciting new hotels and motor inns for you — coast to coast in the U.S.A., Hawaii, Canada, and all over the world. You can enjoy a new sauna in Chicago, a new squash court in Toronto, a barber shop that's a bar in Cleveland, and a 30-story glass elevator in Honolulu.

For reservations, call:  
**800-325-3535**

Free, anytime,  
or have your  
travel agent call.



**Sheraton Hotels & Motor Inns**

A WORLDWIDE SERVICE OF I.T.T.

ADVERTISEMENT

ADVERTISEMENT

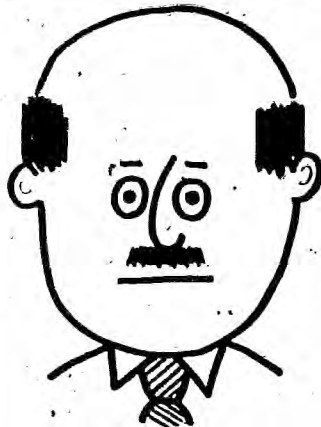
Let's "welcome"  
the Mayor of Moscow!

# EMERGENCY RALLY!

Help save 3 million Soviet Jews. Come to the  
United Nations • 43rd St. & 1st Ave.  
12 Noon, Tuesday, Feb. 6.

For more information contact:  
**Greater New York Conference  
on Soviet Jewry**

(212) 354-1316.



## People who