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June 5, 2003

Donald S. Clark
Office of the Secretary
Federal Trade Commission
600 Pennsylvania Ave. NW
Washington, D.C. 20580



Re: Health Care Competition Law and Policy Hearings

Dear Mr. Clark:

Dr. Kane asked me to include for your review the attached editorial I submitted recently to the Modern Healthcare weekly magazine.

Sincerely,

A handwritten signature in cursive script that reads "Dan Caldwell". The signature is written in black ink and is positioned to the left of the printed name and title.

Dan Caldwell
Executive Director

As one who has worked for physicians in some form or another for the last 16 years and having been involved in the development of physician-owned imaging centers, surgery centers, and other facilities across the country, I can offer a different perspective on why physicians invest in and participate in the development of their own facilities. Modern Healthcare's coverage of this issue assumes the promise of financial return is the primary reason physicians invest in their own facilities. In my experience this could not be further from the truth! The possible cash distributions for most of them are very small compared to their existing incomes and present a very small incentive to refer if any. Physicians are developing their own facilities because they are profoundly frustrated with the operation of the existing hospital programs in which they work.

Here are the frustrations with existing hospital programs I heard over and over from physicians across the country in my past facility development roles:

Patient Convenience. Many established hospitals offer patients a less-than-convenient access to services on their large and confusing campuses. The lack of convenience often has a negative effect on a physician's practice and costs her patients. Smaller, more focused facilities offer much greater patient convenience and satisfaction, which always have a positive effect on the growth of a physician's practice.

Meaningful Participation in Governance. Physicians grow tired over the years of attending endless hospital medical staff and committee meetings and rubber-stamping management and strategic decisions already made by the administration. They want to participate as equals in a streamlined decision-making process that truly focuses on their specialty and takes their interests into account along with the interests of the facility.

Physician Efficiency. Hospital-based programs are run with the facility's economic interests in mind - not the physician's. Over and over we were able to dramatically improve physicians' productivity by developing services outside the hospital and managing for their efficiency. Imagine the positive effect on the practice of an orthopedic surgeon who can now perform 10 or more procedures in an afternoon in the new surgery center and in less time than the 3 he could do in the hospital. Or imagine the effect on the cardiologist who can now get things done for her patients on a timely basis because of the highly focused staff in the new heart hospital she helped plan and develop and get home to her family 2 hours earlier every day.

I would suggest that the leadership in our nation's large, established hospitals stop trying to block physicians from developing their own facilities and use that energy to improve the programs in which they expect the physicians to work every day. If they actually spent some time listening to their physicians, they might just find that their facility is not the pleasant and efficient working environment for physicians they think it is.

Dan Caldwell
Executive Director
Little Rock Cardiology Clinic