

## Hospitals undermine private practice doctors

I fully agree with Dr. Gerald Miletello's views on the threat to independent oncology practice posed by 340B pricing. As another independent practicing oncologist, I too am upset over the abuse of 340B money to destroy the more cost-effective and more patient-friendly independent practice model for community oncology.

When 340B was first proposed, it was expected to apply to less than 100 hospitals in the country, but now nearly 2,000 hospitals receive this subsidy. The discount from 340B is approximately a 40 percent discount of pharmacy costs for a hospital. This can run into tens of millions of dollars for a mid-size hospital. Cancer medications can represent 50 percent of drug costs for a hospital.

The intent of the program was to help increase access for low-income patients. As Miletello points out, this windfall has been used to hire oncologists and undermine the independent practice of oncology. Physicians who are employed tend to do what their employer asks. It has been shown that hospital-employed oncologists tend to use higher-

priced medications for their patients. The 40 percent discount on higher-priced medications translates into higher profit margins for the hospital when it receives 340B pricing.

The issue of employed physicians is not just a problem for the independent practice of oncology. The canons of the Louisiana State Medical Board indicate that it is unethical for physicians to be employed as it represents a conflict of interest. Unfortunately, this is not legally binding, and employed physicians have been found throughout the state. There has been a national trend toward employed physicians, and Louisiana is not lagging far in that trend.

I have seen numerous examples where hospital-employed physicians have made decisions at the behest of the hospital administration rather than the patient's interest. Much of this is driven by laughable reimbursement from Medicare and insurance companies, which influence these decisions. Sadly, the relish with which it is often done does not reflect well on the hospital-employed physicians.

Interestingly, Texas and California specifically outlaw physicians being employed by hospitals. Louisiana law does not allow lawyers to work in a firm owned by nonlawyers — why not extend that to the profession of medicine? I would like our Legislature to consider this issue, since the State Medical Board's position is not a law.

There is not much which can be done in Louisiana about the abuse of 340B, since this is a federal program. However, several of our Louisiana U.S. representatives and Sen. Bill Cassidy are physicians. Could they be the catalyst to inform Congress of the need for scrutiny of the 340B program?

I am not optimistic that either of these issues will get legislative traction. It is more likely that the future of medicine will continue to become more corporate and less personal. Doctor-patient relationships will suffer as an unintended consequence of these and other trends at play in medicine and our society.

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