

Blue Shield of Florida



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ROBERT E. ZELLNER, M.D.
Chairman of the Board

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Dear Doctor:

THIS LETTER CONTAINS INFORMATION WHICH MAY HAVE A VERY IMPORTANT BEARING UPON YOU AS A PARTICIPATING PHYSICIAN IN BLUE SHIELD. PLEASE READ IT CAREFULLY AND IN ITS ENTIRETY.

Any new benefits which Blue Shield offers in Florida must have the prior approval of the House of Delegates of the Florida Medical Association. This does not mean that the House must approve each contract but that any changes in the benefit pattern affecting the physician must have the approval of his representatives. The last, or most recent, of these changes was the UCR contract first offered by Blue Shield in 1967. This contract provides that Blue Shield will pay in full the fee usually charged by a particular physician for a particular service provided it falls within the range of what is customarily charged by other physicians or that if it exceeds this amount because of special medical circumstances, the fee is considered reasonable by his peers. At the time this new contract was approved by the House it provided that a physician might elect not to be a Participating Physician in the UCR program without losing his status as a Participating Physician in other Blue Shield programs. The House of Delegates has asked that Blue Shield poll each Participating Physician to make certain that this is clearly understood. Presently over 85% of the physicians of Florida participate in all Blue Shield programs and another 5% in all but the UCR program.

Attached to this letter is a card which you are asked to check in one of three places. The three choices are as follows: (1) I wish to continue my present status as a Participating Physician, (2) I wish to resign as a Participating Physician in the UCR program, (3) I don't understand what this is all about. Please have a Blue Shield representative call upon me at my convenience.

There are a few questions which you might want answered.

Why should I participate in the UCR program? Well, you answered that question in part when you signed your original Participating Physician's Agreement. Nevertheless, since the question has been asked it deserves answering:

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The first part of this answer is my own personal opinion and I clearly label it as such. It is my opinion, however, which I have acquired in large part in the past eight years that I have served as one of your representatives on the Blue Shield Board. There has been a tremendous and ever increasing demand in this country for installment buying -- of automobiles, of homes, of tv's, and yes, even of health care. People are less concerned with overall cost than they are with the amount of the monthly payment. They are willing to budget regular payments but do not want large downpayments or large residual amounts due. Thanks to the heavy propagandizing of those who would have the government take over the provision of medical care plus a few well publicized examples of the possible horrendous cost of catastrophic illness, the public is demanding more complete medical care coverage. This same kind of fear, incidentally, has caused many a physician who has never had a claim made against him for malpractice to take out a million dollar umbrella professional liability insurance policy. The fear is real and the demand will be met. The question is whether it will be met by private enterprise or by the government. The answer is likely to be a bit of both. The more adequate the protection offered by the Blues the less likely the public will look to the government.

Already we have two programs working side by side, Blue Shield's UCR program and Medicare. The Blue Shield UCR contract pays on the basis of the 90th percentile of the doctors usual fee and the 90th percentile of the customarily charged fee for a particular service. It is now paying over 90% of the dollars charged. It cannot pay less than the 90th percentile unless authorized by the House of Delegates. Medicare pays the 50th percentile of the doctor's usual fee, the 75th percentile of the customary fee and this may be changed without notice at the whim of Congress or the Social Security Administration. Almost without exception, changes in Medicare affecting physicians' fees have imposed further restrictions. This is what can be expected from any government controlled program. A strong, viable Blue Shield plan offering comprehensive coverage should be, in my opinion, more acceptable to doctor and patient alike. To be strong and viable such a program needs your participation and support.

As to the more pragmatic benefits:

Blue Shield accumulates a profile annually updated of the usual charges by each physician for each frequently rendered service as well as community profiles of same and pays directly to the Participating Physician, and in over 90% of the cases, the total charges he makes to the patients for services covered in the contract. You agree that you will not make additional charges for services covered in the contract.

What if I elect not to participate?

Sticking strictly to the pragmatic and making no philosophical observations, your patient (not you) will be paid what you bill Blue Shield in his behalf provided it falls within the fee ranges. If your charges exceed these high level limits the patient will still be paid the maximum benefit and any fee over and above what Blue Shield pays will be his responsibility to you.

Two final and very important points:

First, your current status as a Participating Physician with Blue Shield will not (will not) be altered unless requested by you.

Second, your Participating Physician's Agreement with Blue Shield has nothing whatsoever to do with Medicare or CHAMPUS. Please complete and return the enclosed card promptly. Thank you for your cooperation.

Sincerely yours,

A handwritten signature in cursive script that reads "Robert E. Zellner M.D." with a small square mark at the end.

Robert E. Zellner, M.D.
Chairman of the Board

REZ/ss