and look for ways to decrease it. Compulsive attention to it, however, is often a sign that more important aspects of the practice are being neglected. For example, more of it can be a plus for the surgical practice. When the revenue goes up, the overhead percentage drops, even though the overhead in real dollars is the same. Once again, would you rather keep 60% of $800,000 or 40% of $2 million? Don’t get me wrong. Overhead is not something you should ignore, but neither should you obsess over it on a regular basis. You would be far better off seeing patients with that time. The incremental cost of seeing an additional patient is almost zero, and the revenue is almost pure profit, since you’ve already paid your overhead.

Concentrate on finding new ways to increase revenue or expand your practice, and your overhead will take care of itself.

Dr. Eastern practices dermatology and dermatologic surgery in Belleville, N.J. To respond to this column, write Dr. Eastern at our editorial offices or e-mail him at sknews@sknews.com.

MedPAC Looks At Hospitals’ Recent Growth

WASHINGTON — The explosive growth of hospitals has caught the notice of the Medicare Payment Advisory Commission, which advises Congress on cost, quality, and access issues affecting the federal health program.

The number of hospitals has nearly doubled in the last 5 years and will rise to 24,000 in 2008, according to information presented by MedPAC staff at a recent meeting. Citing figures from the Society for Hospital Medicine, the staff said that 40% of Medicare beneficiaries will receive care from a hospitalist by 2010, which is double the current number.

MedPAC staff and some of the commissioners expressed concern that the expansion of hospitalist care could increase Medicare’s overall spending. According to the staff, hospitalists are unusually compensated through a combination of fixed salary and volume-based bonus incentives.

Those volume-based incentives may be driving hospitals to admit and consult more often, said Zach Guamer, a MedPAC staff member—and currently, he continued, Medicare’s payment system rewards volume, not quality and efficiency.

Hospitals have shown that they can ‘create Medicare’s capacity gains,’ he said, citing a study that showed that patients treated by hospitalists had a shorter length of stay and lower costs than those who were not. The Medicare Payment Advisory Commission, which advises Congress on cost, quality, and access issues affecting the federal health program, said that the expansion of hospitalist care could increase Medicare’s overall spending by 24,000 in 2008, according to information presented by MedPAC staff at a recent meeting. Citing figures from the Society for Hospital Medicine, the staff said that 40% of Medicare beneficiaries will receive care from a hospitalist by 2010, which is double the current number.

MedPAC staff and some of the commissioners expressed concern that the expansion of hospitalist care could increase Medicare’s overall spending. According to the staff, hospitalists are unusually compensated through a combination of fixed salary and volume-based bonus incentives.

Those volume-based incentives may be driving hospitals to admit and consult more often, said Zach Guamer, a MedPAC staff member—and currently, he continued, Medicare’s payment system rewards volume, not quality and efficiency.

Hospitals have shown that they can ‘create Medicare’s capacity gains,’ he said, citing a study that showed that patients treated by hospitalists had a shorter length of stay and lower costs than those who were not. The Medicare Payment Advisory Commission, which advises Congress on cost, quality, and access issues affecting the federal health program, said that the expansion of hospitalist care could increase Medicare’s overall spending by 24,000 in 2008, according to information presented by MedPAC staff at a recent meeting. Citing figures from the Society for Hospital Medicine, the staff said that 40% of Medicare beneficiaries will receive care from a hospitalist by 2010, which is double the current number.

MedPAC staff and some of the commissioners expressed concern that the expansion of hospitalist care could increase Medicare’s overall spending. According to the staff, hospitalists are unusually compensated through a combination of fixed salary and volume-based bonus incentives.

Those volume-based incentives may be driving hospitals to admit and consult more often, said Zach Guamer, a MedPAC staff member—and currently, he continued, Medicare’s payment system rewards volume, not quality and efficiency.

Hospitals have shown that they can ‘create Medicare’s capacity gains,’ he said, citing a study that showed that patients treated by hospitalists had a shorter length of stay and lower costs than those who were not. The Medicare Payment Advisory Commission, which advises Congress on cost, quality, and access issues affecting the federal health program, said that the expansion of hospitalist care could increase Medicare’s overall spending by 24,000 in 2008, according to information presented by MedPAC staff at a recent meeting. Citing figures from the Society for Hospital Medicine, the staff said that 40% of Medicare beneficiaries will receive care from a hospitalist by 2010, which is double the current number.

MedPAC staff and some of the commissioners expressed concern that the expansion of hospitalist care could increase Medicare’s overall spending. According to the staff, hospitalists are unusually compensated through a combination of fixed salary and volume-based bonus incentives.

Those volume-based incentives may be driving hospitals to admit and consult more often, said Zach Guamer, a MedPAC staff member—and currently, he continued, Medicare’s payment system rewards volume, not quality and efficiency.

Hospitals have shown that they can ‘create Medicare’s capacity gains,’ he said, citing a study that showed that patients treated by hospitalists had a shorter length of stay and lower costs than those who were not. The Medicare Payment Advisory Commission, which advises Congress on cost, quality, and access issues affecting the federal health program, said that the expansion of hospitalist care could increase Medicare’s overall spending by 24,000 in 2008, according to information presented by MedPAC staff at a recent meeting. Citing figures from the Society for Hospital Medicine, the staff said that 40% of Medicare beneficiaries will receive care from a hospitalist by 2010, which is double the current number.

MedPAC staff and some of the commissioners expressed concern that the expansion of hospitalist care could increase Medicare’s overall spending. According to the staff, hospitalists are unusually compensated through a combination of fixed salary and volume-based bonus incentives.

Those volume-based incentives may be driving hospitals to admit and consult more often, said Zach Guamer, a MedPAC staff member—and currently, he continued, Medicare’s payment system rewards volume, not quality and efficiency.