

States of the Union

DOCTORS FOR SALE

BY RICHARD J. MARGOLIS



GOGOL's fast-talking mountebank, Tchitchikov, sold dead souls to the agrarian nobles of Russia; Meredith Wilson's charming music man, Harold Hill, sold mythical band uniforms to the people of River City, Iowa; and now, in another of life's imitations of art, an enterprising company on the West Coast may be selling imaginary doctors to small towns throughout America.

The National Health Search organization (NHS), founded in 1972 with headquarters in Northridge, California, is just one of a dozen or so outfits that are working the provinces

these days, eager to capitalize on the acute doctor shortage that has long plagued rural people. In exchange for a fee, the firms promise to bring physicians to medically-starved towns. Sometimes they deliver; frequently they do not. In the Midwest, at least three towns that have contracts with NHS—Carthage and Nauvoo in Illinois, and Chariton in Iowa—are asking for their money back. Carthage is suing NHS for alleged breach of contract.

"When we made the contract," I was told by Harold A. Dietz, the administrator of Memorial Hospital in Carthage, "it looked like we couldn't lose. I guess we were wrong." In Nauvoo, the citizens had such faith in NHS, upon signing a contract they took down a large sign—"Nauvoo Needs a Doctor"—that had been on prominent display for months. Nearly two years later, the town still needs a doctor, and it is apparently out the \$3,500 paid in advance to NHS. "It wasn't what you'd call easy money," says Lillian M. Snyder, who helped raise the funds. "It came from widows and other small contributors. This is not a rich place, it's a farm community."

The remarkable appeal of NHS

—its ability to enter a town, call a meeting and close a contract, all within a couple of weeks—appears to flow from two sources: entrepreneurial ingenuity and rural misery. NHS advertises in medical journals and via direct mail to small-town hospitals and local Chambers of Commerce. When the company gets a nibble, it sends a salesman to the prospect. Bearing brochures and spouting promises, the salesman wins the confidence of local leaders, and they in turn sell the proposition to their fellow residents.

A useful weapon in the salesman's arsenal is his claim that there are "between 45,000 and 60,000 doctors in the United States seeking relocation." The implication (this is never actually stated) is that NHS knows who those doctors are and where they can be found. Equally helpful, especially when the citizens ask for more time to consider, is the salesman's warning that the contract fee is scheduled to rise momentarily, so that any hesitation may cost the citizenry extra money. In Nauvoo, according to Lillian Snyder, the townspeople were informed that if they hesitated one more week, the cost would jump from \$3,500 to \$4,000. They signed forthwith.

The clincher, however, is the company's moneyback offer. The brochure states: "NHS guarantees you doctors.... It is a totally new concept in physician recruitment. Rather than working on a contingency basis as other agencies do, NHS GUARANTEES to supply the desired number of physicians to your group." That the doctors will stick around for at least one year is also assured.

The contract is explicit. The one the Nauvoo group signed pledges to refund the full \$3,500 fee "if with best and most diligent efforts ... physician(s) are not secured within 18 months of the date of this agreement." The date of the agreement was June 15, 1976, about 22 months ago. In the interim, NHS sent just one applicant to Nauvoo, a young Chicago osteopath who on two occasions failed to pass the state licensing examinations.

"For all I know," says Miss Snyder, "he hasn't passed them yet."

In Chariton, Iowa, two years ago, Lucas County Memorial Hospital paid NHS \$7,000 for the recruitment of two general practitioners. "They gave us 24 names," George Prusinski, the hospital administrator, told me in a telephone interview, "but only one of those ever consented to come visit us and be interviewed, and he wasn't interested. We're trying to get our money back now."

From the record, it won't be easy. Before Carthage decided to sue NHS, it spent a year in unsatisfactory correspondence with the company. "I asked for our money back," said Dietz, "and they've been dodging us ever since." At a conference in Atlanta Dietz happened to run into G. R. Holmes, NHS' founder and president. "I trapped him in his motel room," Dietz recalled. "He was very pleasant. He offered us half the money back. I told him that if we didn't get the full refund we'd sue. He just smiled and said to me, 'Be my guest. Others have tried it before you, and the courts have always agreed we deserved at least half.'"

Dietz said the town plans to bring an action in an Illinois court, forcing the California firm to defend itself far from home base. "Maybe that'll bring them around," he said, "because that could get to be very expensive for them. It's not really the money, though, it's the principle. They never sent us a single person to interview. We never got to first base."

Dietz did travel to Chicago once on a tip from NHS to interview "a couple of Filipino female doctors." Unfortunately, he continued, "they hadn't passed their licensing exams yet, and to tell you the truth I wasn't that interested. It's just been a mess all around."

A large proportion of NHS' "recruits" appear to be foreign medical graduates (FMGs), a category that currently accounts for 20 per cent of the total number of practicing physicians in the U.S. As a group, FMGs are neither the best nor the worst of

doctors, but many have language problems that make it difficult for them to "relate" to patients, especially to patients in small towns, where ethnic idiosyncrasies are rarely appreciated. "We do have a foreign-trained doctor here," Dietz volunteered. "But he's Irish. I mean he's not really *foreign* like a Pakistani or an African."

Prejudiced or not, rural beggars cannot be choosers—and that is the main reason why NHS is riding high nowadays. The shortage of rural physicians has grown so desperate that anyone clever enough to give the appearance of being able to deliver one is likely to prosper. The Department of Health, Education and Welfare (HEW) has compiled a list of 1,100 "physician-deprived areas" throughout the United States, and four-fifths of them are rural. In all, 10 million rural Americans live in places that are officially designated as "medically underserved."

Health care attrition in rural America has been going on for half a century—not surreptitiously but out in the open, where experts could take due note. "There is a universal tendency for physicians to abandon rural districts in favor of cities," observed the American Medical Association in 1925. "There is little or no tendency for recent graduates to seek practice outside the large centers of population.... In hundreds of rural districts, medical care is inadequate or absolutely lacking."

NAUVOO (population: 1200) is typical of this baneful, long-term trend. In the 1920s it supported three physicians; by the '40s they had all either left town or died of old age. The town eventually persuaded a German doctor to cross the ocean (at Nauvoo's expense) and set up a practice there. He left eight years ago, and the town has been doctorless ever since.

The National Health search organization and its competitors, then, are a response to this health care vacuum and to the failure of conventional in-

stitutions to fill it. To date, the only Federal effort has been the National Health Service Corps, a program established by Congress in 1972, which sends volunteer physicians and other health professionals to rural areas. At present the Corps has 708 volunteers, including 464 doctors, working their two-year stints in small towns. The agency hopes to more than double that number by 1980, but most of the additional recruits will be sent to urban ghettos. A large part of rural America will remain hungry for health care and therefore vulnerable to the blandishments of companies like NHS.

During the past two weeks I placed nine telephone calls to NHS, both to its offices and to the home of its president. On six occasions I got no answer; on three I reached an answering service and left a message for Holmes to return my call. He never did. Still, one wants to be fair: I singled out NHS not because it was necessarily the worst of the lot, but because it was the first such enterprise I happened to come upon in my research. Doubtless its intentions are superior to its performance, and on occasion even its performance seems to have been up to the mark. Dietz told me that before he committed Carthage to an NHS contract he checked out the firm's references and found them satisfactory. "I talked to people in Texas, Missouri and Indiana," he said. "Nobody had any complaints."

To be sure, the real complaint is not with NHS—shoddy as some of its practices may be—but with the social soil from which it springs. What the good people of Carthage and the rest of us ought to be battling is the nation's obsolete, fee-for-service health care system, which allows doctors to monopolize the medical market at the patients' expense, and encourages them to practice *what* they please *where* they please. So long as this system remains in force, Carthage will feel justified in responding to its detractors with Harold Hill's simple maxim: "But ya gotta know the territory!"