President’s Message
William C. McMaster, MD

To all WOA members,

I am honored to have the privilege to serve as your President for the 74th year of the WOA. Your Board of Directors is committed to continuing to re-invigorate the Western, which has been a focus for the past several years. Past President Linda Rasmussen did a terrific job during her tenure, which culminated in an exceedingly successful meeting in Seattle. Attendance was high and the program excellent; kudos and many thanks to Program Chair Stuart Wakatsuki for a stellar job. We are very pleased to have the able management expertise of the Data Trace team who has helped revitalize the Association and placed us on a solid footing, thus assuring our organization’s health for the 21st century.

Please welcome Dr. John Tongue of Portland, Oregon as Second Vice President, Kim Furry as Secretary and Valerae Lewis as Treasurer. New members of the Board are David Teuscher and Mark Rosen, both At-Large members, and Steven Morgan, as a Junior Member. The dedication and commitment of the hard working Board is especially appreciated in this time of political and economic uncertainty. The Western has committed itself to being a player at the table of organized orthopaedics. Our able representative on the AAOS Board of Councilors, Robert R. Slater, Jr., will represent the interests of our organization and its members well.

The Western Orthopaedic Association is a 501C-6 tax exempt organization which can participate in advocacy for its members by law. The successful effort to gain seats on the BOC for the regional societies was spearheaded by WOA, with support from the EOA, SOA, and Mid-America. It is a goal that, over time, the WOA will strengthen its ties with the western state societies. With them, we look to coordinate a Western Orthopaedic States Coalition with a unified agenda that addresses regional issues. Remember, political/economic issues are local and, for example, issues that affect Colorado today may well follow in New Mexico tomorrow. The health of our practices and our ability to continue to serve our patients’ best interests needs to be preserved. We need the AAOS political organization to understand, continued on page 2

2010 Call for Abstracts

The Western Orthopaedic Association will present its next Annual Meeting on August 4-7, 2010 at Portola Hotel & Spa in Monterey, California. WOA’s Annual Meeting is one of the premier meetings for orthopaedists practicing in the West. The Scientific Program will be developed to present timely reviews of practice-related techniques and clinical research findings in orthopaedic surgery through accepted key papers. Nationally recognized speakers will also be invited to speak.

We invite you to submit one or more abstracts for the meeting, as this is an excellent opportunity to present a paper to your peers. The submission deadline is January 29, 2010. Abstract applications may be submitted online through the WOA’s web site. Visit us at www.woa-assn.org and click on the “Call for Abstracts” link.

We look forward to receiving your abstract(s) and to seeing you in Monterey next year.

The Western Orthopaedic Association

74th Annual Meeting
August 4-7, 2010
Portola Hotel & Spa
Monterey, CA

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acknowledge, and respond to those issues, especially since our region encompasses a significant percentage of the AAOS membership.

One ongoing project is to enhance the educational needs of our members, especially those who hold time-limited certification by the ABOS. As the process of recertification continues to evolve, we want to engineer an accepted mechanism for our members to satisfy their MOC requirements, both CME and SAE, by participating in our Annual Meeting. We hope to have a program in place this year that will be accepted by the ABOS and provide a value-added service to our members. Additionally, we have successfully negotiated subscriptions to the *Journal of Surgical Orthopaedic Advances* for our members. This quarterly, peer reviewed publication can provide each member with up to 24 AMA PRA Category 1 Credits per year by correctly completing and submitting the accompanying exams. This is a very economical means to obtain credits. We also have responded to our members’ input that including updated symposia in the Annual Meeting is a useful adjunct to learning the latest science in areas outside their sub-specialty interests. We will continue to organize the Annual Meetings to provide good value for the time and resources spent to attend it. Making the meeting a family-friendly event, with opportunity for fun and time together, continues to be a primary goal of the Program Committee.

We are excited that the 74th Annual Meeting will take place August 4-7, 2010, in Monterey, California at the fine Portola Hotel and Spa on the Bay. My Presidential Guest Speaker will be James Heckman, MD, California at the fine Portola Hotel and Spa on the Bay. My Presidential Guest Speaker will be James Heckman, MD, Editor-in-Chief of the *American Journal of Bone and Joint Surgery*. The Howard Steel Lecturer will be Stephen B. O’Brien, Jr. of Boston, MA, who is Principal of Copley Fine Art Auctions, Inc., specializing in American sporting art and artifacts and operator of the Stephen B. O’Brien Fine Arts Gallery in Boston. He is an expert on American sporting art and has set world auction records for fine sporting artifacts. His presentation should provide an interesting venture into the world of fine American art collecting. The Program Chair for this meeting will be Nitin Bhatia, MD, Residency Program Director of the University of California, Irvine orthopaedic residency program. Dr. Bhatia has assembled an excellent symposia faculty to compliment the peer reviewed papers for podium and poster presentation.

The Western Orthopaedic Association is very proud of its Resident Research Award competition. Along with the named awards for Lloyd Taylor, Vernon Thompson, Nancy and Harold Willingham, and the new award named after Sanford Anzel, the WOA also provides additional prizes. The first and second place resident award presentation winners are assured a podium presentation at the 2011 AAOS Annual Meeting, a very prestigious opportunity. The abstract submission deadline is January 29, 2010, so encourage your residents to participate in the competition.

I personally thank you for your supporting membership in the Western Orthopaedic Association and encourage each of you to be ambassadors for the WOA. Spread the good news about us and advise your partners and colleagues to join us and take advantage of the many opportunities available to members of WOA. Finally, I am always open to communication concerning any aspect of the operation of your Western Orthopaedic Association, wcmmmd@aol.com.

Sincerely,

William C. McMaster, MD
President

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**The WOA Mission**

The Mission of the Western Orthopaedic Association is to promote high quality ethical care for musculoskeletal patients in the western region of the United States by providing educational programs, fostering collegiality and supporting professional development among its members and physicians-in-training, and by influencing health care policy.
Marc J. Rosen, MD
In a featured article in the April 2004 Phoenix Magazine “Top Docs” issue, Dr. Rosen’s daughter was quoted as saying, “My dad thinks he’s James Bond.” While his interests in motorcycles, flying, mountaineering, and adventure travel have moderated over the years, this West Phoenix orthopaedic surgeon lives the active lifestyle he encourages his patients to pursue. Specializing in adult reconstructive (hip and knee joint replacement) surgery, it has always been Dr. Rosen’s professional goal to help those entrusted to his care achieve a more vigorous activity level and a high-energy lifestyle.
Growing up in Ohio, where he attended Ohio State University and the University of Cincinnati College of Medicine, his educational path took an unusual route in that his college major was English and not the usual premedical science program. Dr. Rosen’s internship in Cincinnati was first directed to internal medicine and his orthopaedic training was completed at the University of Cincinnati Hospitals, with a brief stint at New England Baptist Hospital in Boston.
Dr. Rosen has practiced in the Phoenix metropolitan area for 28 years, during which time he has held many administrative positions in addition to his medical practice. He has been president of the Maricopa County Medical Society and the Arizona Orthopaedic Society. For many years, he served on the board of both the Maricopa County Medical Society and the Arizona Medical Association, also serving as Chief of Staff at Banner Thunderbird Medical Center. Currently, he represents Arizona orthopaedic surgeons as the Arizona councilor to the American Academy of Orthopaedic Surgeons.
Dr. Rosen’s professional interests are in the area of adult arthritis treatment, hip and knee reconstructive surgery, healthcare public policy, and quality assurance.

David D. Teuscher, MD
David Teuscher, MD has an active orthopaedic surgery sports medicine practice and is a partner and past-president of Beaumont Bone & Joint Institute. He is a team physician for Lamar University NCAA teams and several local high schools. He also serves his community through board membership in the Greater Beaumont Chamber of Commerce and the Baptist Hospitals of Southeast Texas. Deeply involved in Beaumont public schools, he is Co-chair of the citizens advisory bond committee charged with passing and completing the $389M bond for new and renovated schools.
Dr. Teuscher earned a bachelor of science from the University of Illinois at Urbana-Champaign, and his M.D. from the University of Texas Medical School at San Antonio, before completing his post-graduate training at The Brooke Army Medical Center in historic Fort Sam Houston, Texas. A U.S. Army veteran of 13 years, Dr. Teuscher was decorated for service in Operations Desert Shield and Desert Storm. In 1993, his wife Connie and he relocated to Beaumont with now grown sons Brandon and Derek after his military service. They are members of Westgate Memorial Baptist Church.
Over the past decade Dr. Teuscher has been involved with multiple public policy issues in Texas, including service on the Texas Tax Reform Commission and Texas Inaugural Committee. He is an advocate for patients at the state and national levels for such issues as access to care, professional liability reform, scope of practice, and appropriate sustainable funding of existing government coverage plans. He has served the AAOS thrice as the course director of the AAOS Practice Management Symposium at Annual Meetings.
He continues his active membership on the board of directors of the Texas Orthopaedic Association and Jefferson County Medical Society as Legislative Chairman and past-president. In addition to serving as a delegate to the American Medical Association and the American Orthopaedic Association for Sports Medicine, he holds numerous present and past leadership positions in the Texas Medical Association and organizations listed above. Dr. Teuscher has most recently served as faculty and moderator at the 2008 and 2009 WOA Practice Management Symposiums respectively.
Living in the very southeastern border of “The Western,” Dr. Teuscher credits numerous friends for recruiting him, including, but not limited to, Drs. Paul Collins, Richard Haynes, Ramon Jimenez, John Tongue, Larry Trick, and Linda Rasmussen.
Recap of the 73rd Annual Meeting

The 73rd Annual Meeting was an incredible success, with an excellent scientific program. Program Chair Dr. Stewart Wakatsuki and the WOA Program Committee did an outstanding job of creating the 2009 Scientific Program. Presidential Guest Speaker Dr. Frederic A. Matsen, III spoke on “Mountains without a Summit” and Howard Steel Guest Lecturer, mountain climber Lou Whittaker, spoke on “Memoirs of a Mountain Guide,” which was enjoyed by the meeting attendees and their families. Dr. Linda Rasmussen’s Presidential Address, “Finding a Balance in Medicine: Juggling Patients, Friends, Family and One’s Self,” was fascinating. Also, the Practice Management Symposium, held Thursday afternoon, was a huge success and well received.

The meeting kicked off with a fantastic Welcome Reception on Blake Island that included a cruise and a spellbinding performance by the Tillicum Village dancers. The following evening began with a Sponsor/Scientific Poster Presentation Reception before everyone disbursed to explore the area and enjoy the fabulous Seattle night life. The meeting was brought to a close with an incredible Gala Dinner Dance that included some fun music and dancing. Many people continued the festivities on Sunday with a day trip to Victoria to whale watch.

It was a sensational meeting and we express our thanks to all who attended. If you missed it, view the 2009 Seattle pictures on the WOA website and see what a great time it was. (www.woa-assn.org)

Look forward to seeing you next year at the Portola Hotel & Spa in Monterey, California, August 4-7, 2010!

2009 WOA Resident/Fellow Award Recipients

Congratulations to the following 2009 WOA Resident/Fellow Award Recipients.

Lloyd Taylor Award Winner
Normalization of Glenohumeral Articular Contact Pressures after Either Latarjet or Iliac Crest Bone Grafting Procedure: Impact of Graft Type and Coracoid Orientation
Neil S. Ghodadra, MD
Rush University Medical Center, Chicago, IL & San Diego Naval Academy, San Diego, CA

Vernon Thompson Award Winner
Disc Health Preservation after Six Months of Spinal Growth Modulation: Expanding The Treatment Options for Fusionless Spinal Deformity Correction
Vidyadhar V. Upasani, MD
Rady Children’s Hospital, San Diego, CA

Harold and Nancy Willingham Award Winner
Biomechanical Evaluation of Short-Segment Posterior Instrumentation with Crosslinks in an Unstable Human Burst Fracture Model
George M. Wahba, MD
Orthopaedic Biomechanics Laboratory and VA Healthcare System, Long Beach, CA

WOA Resident Awards
A Retrospective Study of Teriparatide Therapy for Prevention of Fractures after Kyphoplasty
James L. Chen, MD
University of Hawaii, Honolulu, HI

Fenestrated Outflow Cannulae Minimize Arthroscopic Fluid Gain
Hasan M. Syed, MD

Loma Linda University Medical Center, Loma Linda, CA

Fluoroscopically-Guided Hip Capsulotomy: Effective or Not? A Cadaveric Study
Aric Christol, MD
Harborview Medical Center University of Washington Medical Center, Seattle, WA

WOA Newsletter
WOA News encourages and welcomes all member input. If you have any information you would like included in the next issue, please email material to hskinne22@att.net
Physicians Aren’t “Average Americans:” Don’t Settle for Average Legal and Financial Advice (Part 2 of 2)

Christopher R. Jarvis, MBA
David B. Mandell, JD, MBA

In Part 1 of this article, we explained that physician families have substantially greater liability risk and retirement challenges than Average American families do. This segment of our article will focus more on tax, investment and insurance issues that differ greatly for physicians and non-physicians. If you missed the first part of the article, please feel free to contact the authors or go to www.woa-assn.org and select the Summer 2009 Newsletter (article begins on page 5). For now, let’s get right to some of the mistakes that doctors make and offer helpful hints for physicians.

Risk #4 – Paying Full Price when the Government Offers to Pay Half. Technically, the government (Internal Revenue Service) is not paying half of anything. However, if they offer you a tax deduction and your combined state, federal, and local marginal tax rate is close to 50%, you can think of your purchasing something that is deductible as being ½ as expensive because the government will allow you to deduct this purchase. This is a rather easy concept to grasp, but the application will continue below and in the next part of this article which will be in an upcoming issue.

GOLD
Stryker Orthopaedics
Zimmer, Inc.

BRONZE
Wright Medical Technology

COPPER
Angiotech
Automated HealthCare Solutions
Biomet Trauma
CeramTec Medical Products
ConforMIS
DePuy, a Johnson & Johnson Company
DeRoyal

EXHIBITORS
Acumed
Arterioocyte Medical Systems, Inc.
Auxilium Pharmaceuticals
Boundary Medical
Digital X-Ray Technologies
Esoate
Exactech, Inc.
Ferring Pharmaceuticals, Inc.
Genzyme Biosurgery

EXHIBITORS
Harvest Technology Corp.
HCA Physician Recruitment
I-Flow Corporation
KCI-USA
Linear Medical Solutions
Lippincott Williams & Wilkins
Medical Protective
Medtronic’s Spinal & Biologics business
MEDSTRAT, INC.

CONTRIBUTORS
OREF
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OSNA

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Money Matters continued

of long term care assistance. This can be a short relatively inexpensive proposition or this could result in years of assistance that may cost hundreds of dollars per day. In either case, without long term care insurance, you will have to pay for this assistance from your savings. If you purchase long term care insurance through your medical practice, you do not have to offer this for your employees. Further, you can cover you and your spouse through the practice even if you are not both physicians. Lastly, you get a tax deduction for 100% of the premiums if they are paid by your practice.

We understand that you will not practice medical forever. This is not a problem. You can pay your entire life’s premiums over a 10 or 20 year period so that all premiums come from your operating practice – and are 100% tax deductible. This way, when you retire, your premiums are paid in full and the government subsidized all of your payments. This is one of the many tips that we offer to our clients to help reduce unnecessary tax burdens.

There are also non-traditional, non-qualified retirement plans that also allow physicians to make contributions of $100,000 to $1,000,000 per year, discriminate as to only include the doctors or key employees, and access the funds before age 59 ½ if that is their interest. Further, these plans can be set up to be very important pieces of a family’s estate plan without sacrificing tax deductions or control of the assets. For further information on these plans that are beyond the scope of this article, please contact the authors at (800) 554-7233.

Mistake #5 - Wasting Money on Taxes and Term Insurance Premiums. A famous female financial advisor with her own TV show is one of many advisors to tout “Buy term insurance and invest the difference.” This is excellent advice for the “Average American” family who earns $42,000 per year, pays 12% in federal income taxes, and has no liability or estate tax risk whatsoever. The average family pays very little tax on investment income. It is possible that their tax on investment gains ranges from 10% to 15%. The average family is not worried about having its assets taken through a lawsuit. Further, the average family buys insurance solely for temporary income protection against the premature death of the breadwinner. The average family also has no interest in long term liquidity for estate planning purposes because they will never have an estate large enough to warrant any estate tax. Does this sound like you? Of course, it doesn’t sound like you.

Suggestion #5 – Buy Cash Value Life Insurance as a Supplemental Investment Tool that Will Offer Permanent Life Insurance Protection as well. If you are skeptical of this advice, ask yourself whether you are skeptical because you did the calculations yourself (or reviewed a careful analysis by an expert) or because you have just heard this axiom enough times that you have just accepted it as fact.

Both authors have MBA degrees in finance and one has a degree in applied mathematics, so we feel our calculations are reliable in our proof that this advice is incorrect. To spare you the pain of a long mathematical proof, let us offer the following simplified analysis.

1. Mutual funds growing at 8% (taxable) are worth 5%-6% (after taxes) to high income taxpayers like you and worth 7% or more to Average Americans.
2. Investment gains (whether in mutual funds within variable policies or S&P index returns in equity indexed policies) within cash value life insurance policies are not taxed.
3. For relatively young and healthy insureds, the annualized cost of all internal expenses is 1%-2%.
4. For families in high marginal tax brackets, the cost of the insurance policy is less than the cost of taxes on the same investment gains within mutual funds.

Without even factoring in the cost of the term insurance (which would reduce the total amount in the mutual fund portfolio), the cash value insurance investment outperforms buying term insurance and investing the difference. Yet another benefit is that life insurance is protected from creditors, and even from bankruptcy creditors, in many states. This is a benefit that may interest a physician family, but be seen as worthless to average American families.

EXAMPLE: Consider a 45-year-old healthy male who wants to invest $25,000 per year for 15 years before retirement and then withdraw funds from ages 61 to 90. Assume this individual’s tax rate on investments is 31% (50% long term gains and dividends, 50% short term gains, 6% state tax). Assume the pretax return of both investments are 8% per year.

- The individual who invests in mutual funds withdraws $37,000 per year after taxes (without purchasing ANY term life insurance)
- The individual who invests in cash value life insurance withdraws $42,500 per year (no taxes on policy withdrawals and loans) + has $1,000,000 of life insurance protection.

In this situation, it is pretty hard to see how buying term and investing the difference in taxable investments made more sense than investing in tax-efficient life insurance for this highly compensated physician who is in a high tax bracket.

Mr. Mandell and Mr. Jarvis welcome your questions and may be reached at (800) 554-7233 or at jarvis@ojmgroup.com. For a free audio CD that further discusses this and other personal and practice strategies for doctors, please call (800) 554-7233 or visit www.ojmgroup.com to order online.

For a discounted copy of the authors’ new book, For Doctors Only: A Guide to Working Less and Building More, please call (800) 554-7233 or visit www.ojmgroup.com and use the discount code ASSETPROTECT25 in the bookstore for 25% off your entire order.

David Mandell is an attorney and lecturer. Christopher Jarvis is a financial consultant and lecturer. Together, they have co-authored five books for physicians. They are both co-founders of the financial consulting firm O’Dell Jarvis Mandell with over 1,000 doctor clients nationwide.
Hawaii Chapter
25th Annual Combined Orthopaedic Spring Symposium will be held April 16-17, 2010 at the Hawaii Prince Hotel, Honolulu, HI. For more information contact Executive Director Cathy Iwai at (808) 630-1586 or Cathy.iwai@hawaiiantel.net.

Los Angeles Chapter
All orthopaedic surgeons practicing in the Los Angeles area are invited to the 2010 dinner lectures January 25, June 7, and September 13. For more information please contact Executive Secretary Joyce Lepore at 310-265-3151 or Jclepore53@aol.com.

Practice Management Advisor

Stimulus Law Aims to Jump-Start EHR Usage
Generally speaking, medical practices have been slow to adopt electronic health record (EHR) systems. However, the situation may soon change.

A preliminary report from the National Center for Health Statistics* says that 17% of office-based physicians surveyed in 2008 have basic EHR systems, up from 10.5% in 2006. But the vast majority of practices have not embraced EHR. There are many possible reasons, including high up-front costs, a steep learning curve, limited savings, liability concerns, the lack of a software certification process and the inconvenience and disruption of switching to an electronic system.

To encourage the implementation of EHR systems, the American Recovery and Reinvestment Act of 2009 provides direct incentives to physicians who adopt health IT systems. On the other hand, the law includes Medicare payment penalties for physicians and hospitals that are not using electronic health records by 2015.

The Carrot Phase: Incentives
Under the stimulus law, physicians who have purchased or leased a certified EHR system and are using it in a “meaningful” way by January 1, 2011, may be eligible for an initial lump-sum incentive of up to $18,000 (or 75% of Medicare charges, whichever is less) for 2010. Additional incentives of up to $12,000, $8,000, $4,000 and $2,000 are possible (also subject to the 75% Medicare limit) for years 2011 through 2014, respectively, for a total of $44,000.

Physicians who have Medicare caseloads of at least 30% and meet the health IT adoption standards are eligible for nearly $64,000.

The Stick Phase: Medicare Reductions
Beginning in 2015, practices that have not adopted EHR systems will be penalized with a 1% reduction in Medicare payments for that year, followed by a 2% reduction in 2016 and a 3% cut in 2017 and beyond (unless certain factors exist beyond the physicians’ control).

Definition of Meaningful Use
On June 16, 2009, the Health IT Policy Committee published a draft description of the definition of meaningful use of EHRs by provider organizations. The published materials included a presentation, a preamble document and a matrix summarizing the priorities, goals, objectives and measures for meaningful use. The deadline for public comments on the definition to the Health IT Policy Committee is June 26, 2009. The publications on meaningful use can be found on the Health IT Policy Committee’s website.

Clearly, there will be much more news to come. Please contact us if you would like to discuss this topic further.

*Preliminary Estimates of Electronic Medical Record Use by Office-based Physicians: United States, 2008

Health Care Commentaries is provided by Somerset’s Health Care Team for our clients and other interested persons upon request. Since technical information is presented in generalized fashion, no final conclusion on these topics should be made without further review. For additional information on the issues discussed, please contact a member of our Health Care Team. This document is not intended or written to be used, and cannot be used, for the purpose of avoiding tax penalties that may be imposed on the taxpayer.

Somerset CPAs, P.C.
3925 River Crossing Parkway, Third Floor
Indianapolis, Indiana 46240
317.472.2200 · 800.469.7206
www.SomersetHealthCareTeam.com
**Do You Know a Qualified MD or DO Orthopaedic Colleague Who Is Not a WOA Member?**

**Member Incentive**

Refer and sponsor **one** new member and receive 1/2 off the registration fee for the next annual meeting.

Refer and sponsor **two** new members and the registration fee for the next meeting is waived.

*(Note: To qualify for incentive, new membership must be approved by the Board of Directors.)*

**Free Meeting Registration!**

Apply for membership on-line at [www.woa-assn.org](http://www.woa-assn.org) or call 866-962-1388 and ask for an application.

**The Benefits of Being a Member:**

1. 24 FREE CME credits through free *JOTA* subscription
2. Highly desirable annual meeting locations, including the Hawaiian Islands every three years
3. Significant discount on Practice Management Programs
4. Significant discount on long term care insurance for your family and employees
5. Annual meeting that provides excellent board and recertification preparation
6. Diverse annual meeting content
7. Awards and scientific recognition
8. Substantial discounts to other regional society meetings
9. Annual meeting discount for new members
10. WOA newsletter

Completion of an accredited residency program and privileges to practice as an orthopaedist in a local hospital are the requirements for both MD and DO candidates.