

CCA Responds to ASHP CEO George DeVries

Editorial Staff

Editor's note: In the July 30 issue of DC, we announced the lawsuit filed by the California Chiropractic Association (CCA) against American Specialty Health Plans (ASHP). To balance the article, we asked for and included the comments of ASHP CEO George DeVries. Rebecca Downing, executive director of the CCA, has asked to respond to some of Mr. DeVries' statements; her comments follow:

Last month, the California Chiropractic Association (CCA) filed suit in San Diego Superior Court against American Specialty Health Plans and American Specialty Health Networks for unlawful, unfair and fraudulent business acts and practices in violation of Business and Professions Code 17200. CCA had no choice but to take this serious and significant step because many doctors have complained that, among other things, they are unable to negotiate their contracts and are forced to accept ASHP's terms; they are routinely denied authorization to treat their patients without adequate explanation; and they are paid less than it costs them to see their patients. In addition, CCA estimates indicate that from 1997-99, ASHP withheld over \$9 million in doctor compensation without explanation.

CCA believes that ASHP's substantial market share gives ASHP unreasonable control over the doctors and patient treatment through its contract. In fact, ASHP's contract is not negotiable. Alone, this fact demonstrates the significance of ASHP's power. George DeVries, CEO and co-founder of ASHP, acknowledged in an interview with *Dynamic Chiropractic* that ASHP has over 80 percent of the specialty health plan market for chiropractic. CCA believes his estimate to be low. According to the California State Department of Managed Health Care (3/7/2001), specialty health plans have the following enrolled for chiropractic managed care coverage:

- ASHP has 3,972,122 enrollees.
- All other chiropractic specialty health plans together have 341,407 enrollees.

According to these figures, ASHP has 92 percent of the enrollees, the other plans together amount to eight percent. The number of enrollees receiving chiropractic care through physician-gatekeeper-managed care models is extremely low and would not impact ASHP's percentage substantially.

In addition, the vast majority of doctors of chiropractic in California have been unable to enter into the managed care market. ASHP's substantial market share means that doctors must contract with them to participate in any significant way. However, ASHP's provider network has been closed to the majority of doctors because ASHP strictly limited the number of doctors permitted to join.

In a statement to *Dynamic Chiropractic*, Mr. DeVries claimed ASHP has lifted its restrictions on allowing new members into its provider network. However, to CCA's knowledge there has been no announcement to the profession that the panel is now unrestricted. We look forward to his formal announcement of the new policy to the profession.

CCA is concerned that ASHP practices are interfering with the doctor-patient relationship. By not authorizing doctor-determined treatment plans on a routine basis, ASHP limits the doctor's ability to treat patients. In a statement given to *Dynamic Chiropractic* by Mr. DeVries, he confirmed that as much as 33 percent of treatment plans are only partially authorized by ASHP. One-third of doctors' treatment plans are overruled by someone other than the treating doctor. This is a substantial number by anyone's count.

CCA's action is a substantial undertaking made with serious thought and concern for the future of the profession. With the continued health of chiropractic and chiropractic patients at risk, CCA felt obliged to take this step for the entire profession. CCA wishes for a resolution to this situation that will protect both doctors and patients, and see them treated fairly by ASHP.

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