

Managed Chiropractic Care -- Working for Peanuts

Louis B. Rubin

As chiropractic physicians, most of you have been forced to join provider panels to gain access to large blocks of captive patients enrolled in managed care plans. Many of you have been denied access to managed care networks. Some have been removed from panels. Virtually all managed care providers have been frustrated by limited patient access, burdensome paperwork, delays in receiving payment and reduced income. You are no longer considered a primary care provider. Your services are being sold like dessert toppings. For a small additional premium, patients may be able to get an adjustment or two every few months.

From information I have obtained in two lawsuits against a national managed care holding company, I can tell you what you already suspect, your frustrations result because you are at the tail end of a very long feeding chain. To understand where the money went, you must understand the fundamental concept of managed medical care "shared risk."

HMOs receive fixed premium dollars from large blocks of enrollees every month. In return for this guaranteed revenue stream, the HMO must guarantee necessary medical services for the enrollees.

The HMOs don't pay medical providers fees for services. They pay "capitation." A central provider organization is allotted a large block of enrollees. The provider organization has the herculean task of providing primary care and ensuring that sick enrollees are routed to appropriate specialists, facilities or ancillary providers. The primary providers act as gatekeepers -- a first line of defense against over treatment, unnecessary testing and fraudulent medical practices. The gatekeeper is paid by the patient not the service.

A fundamental contradiction exists at the gatekeeper level. The gatekeeper doctor receives a fixed fee regardless of the type or quantity of care. He or she should now be completely objective. The healthy patients should be culled out at the primary level. Patients presenting greater challenges should be quickly routed for the most effective therapy. One would expect chiropractic treatment to be a relatively cheap and effective alternative to high risk surgery or constant painkilling medication, yet the patients and revenue seem to stay with the gatekeepers. This is because chiropractic services have been relegated to the status of add-on fringe benefits available on a limited basis (if at all) to assist the HMO in marketing its primary product. Why? Risk sharing.

Risk sharing means that the central provider organization has the risk of paying for a portion of the cost of medical care. For example, if an organization does not own a magnetic resonance imager or employ a radiologist, it will be required to pay for an MRI and its interpretation for an enrollee with signs of a disc herniation.

The amount each provider organization is at risk and the financial relationship between it and the individual HMO are closely guarded secrets. In reality, the primary provider organization and the HMO are joint venture partners. If the gatekeeper keeps the costs down, the gatekeeper profits. If not, the gatekeeper will feel the financial strain long before the HMO does.

The implications of this alliance should be understood. The gatekeeper wants to keep as big a share of the pie as possible. Behind the closed doors of utilization committee rooms, the provider organization is free to set limits on therapy, cut medical staff, use physician extenders in place of licensed providers and otherwise hope to increase profits.

Is there any wonder why chiropractic is merely an ancillary service available only on a closely controlled basis? The medical doctor networks are not likely to directly contract with chiropractors because of cost. Because chiropractors have no access to the complete array of "necessary medical services," HMOs cannot use them as primary providers.

For chiropractors to survive, they should demand their right to be considered the equal of family physicians. If you allow your services to be considered the equivalent of dessert toppings, you will continue to work for peanuts.

Louis B. Rubin, Esq.
605 C St. #200
San Diego, California 92101

SEPTEMBER 1996