

PMA -- The Saga Continues

Editorial Staff

Almost exactly one year and one month ago, Dynamic Chiropractic presented the Practice Management Associates (PMA) situation to the chiropractic profession. The February 14, 1990 issue revealed that in 1989 PMA had filed lawsuits against over 180 of their clients. This was in sharp contrast to the less than seven lawsuits filed by Markson Management, Ward Management, Singer Enterprises, and Kats Management combined! That issue also contained an interview with Peter Fernandez, D.C., president of PMA.

It's time again to review the issues surrounding PMA. Some problems have only gotten worse: In 1990, PMA sued another 186 of its clients. This, when combined with the 195 clients PMA sued in 1989, brings them to a total of 381 lawsuits filed against clients in just two years. When the number of clients who filed suit against PMA, (approximately 200) is added, it brings PMA to a grand total of 581 lawsuits. This translates to PMA being in litigation with one out of every 80 chiropractors in the United States.

The lawsuits filed against PMA are group actions by former clients, most of whom are former "Practice Starters." The largest of these group actions is being represented by attorney Larry Beard who is suing PMA on behalf of over 100 DCs. There are a number of other group actions, each involving chiropractors that signed their contracts in the particular PMA seminar city. Mr. Beard represents those PMA clients who signed their contracts in Chicago, even though they live and practice in many other states.

Some issues are getting better: A number of chiropractic management consultants have come together in an effort to create a "congress" of chiropractic consultants with ethical guidelines.

As the year has gone by, quite a bit of information has come to light: A number of PMA's non-chiropractic "phone consultants," who are no longer working for PMA, have come forward to testify against PMA.

Here at Dynamic Chiropractic, we have received literally hundreds of phone calls and letters (and still do) from PMA clients. Most of the phone calls are from dissatisfied PMA clients. Many of the letters were from clients who had very positive comments about what they learned from PMA. Some of these positive letters were elicited by a PMA conducted client-mailing, where PMA had asked former clients to send positive comments to "DC."

Through all of this communication there appeared a very clear trend. The experience pattern of a satisfied PMA client was very different from that of an unsatisfied, perhaps even hostile client.

Satisfied PMA Client:

- Didn't sign a contract as a student
- Didn't sign a percentage contract
- Didn't buy equipment from PMA
- Did sign on as a fee-for-seminars client
- Did go to all of the seminars

- Did bring staff - Did evaluate information and used all information found to be acceptable

Dissatisfied PMA Client:

- Signed percentage contract
- Signed on as a student
- Bought equipment and/or leased it from PMA - Expected PMA to do much more than PMA did (expectations apparently based on promises made at time of signing contract) - Is either in court with PMA, paying PMA while starving to death, or, considering bankruptcy

Some new problems have emerged. Some DCs report that PMA is locking them out of their PMA-purchased computers if they are engaged in litigation with the company (please see "PMA Manipulates Client By Computer" on page XXX). Gathering these insights into the old situations further exposed some of the methods used by PMA to recruit patients (please see "PMA Busses Chiropractic Students" on page XXXX). Sadly enough, at least one DC and his wife report that although they signed their contract under the new "3 month trial offer" agreement, they were still subpoenaed when they tried to rescind the contract after only two weeks.

One of the more positive aspects of this entire situation is the extra care and attention many of the PMA "refugees" are getting from other practice management consultants. A number of the dissatisfied (and many times financially failing) DCs report compassion and care from other consultants who just want to see chiropractors succeed. These consultants, most of them well known, make every concession possible to aid these individuals.

But the bottom line issues remain:

Why are all of these former clients in court with PMA?

How can a company that is supposed to be serving clients wind up in litigation with so many of them?

Are percentage contracts so lucrative as to render all of these lawsuits as "just another business expense?"

To address these issues, we have asked Dr. Fernandez to comment. In addition, we will be drawing from comments of over 40 DCs who have filed suit against PMA and are awaiting the verdict on summary judgment motions.

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