Dynamic Chiropractic

CHIROPRACTIC (GENERAL)

Back to the Futurism of Chiropractic - Revisited

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I read with great interest the recent report titled *The Future of Chiropractic Revisited: 2005-2015* (and its predecessor, *The Future of Chiropractic 1998*), from the Institute for Alternative Futures (IAF), as well as the many spin-off articles and commentaries that emerged. I even listened to one of the authors, Clement Bezold, PhD, speak at the recent ACC/RAC 2005.

Ten years ago, in 1995, I too made some "futuristic" predictions and projections about what changes would result from managed care incursions and proliferation into the chiropractic marketplace. I based these predictions on early experiences with the then relatively new managed care model of health care finance; on simple, logical trend progressions; evaluating actions and statements made by managed care proponents; and plain common sense, including some easy-to-read "writing on the wall." Unlike the IAF, I did not use formal interviews as a source.

Hardly anyone agreed with me at that time (practice management consultant Dr. Peter Fernandez was a notable exception). In fact, my comments were labeled as pessimistic, obstructionist, reactionary, outdated, untrue, and uninformed; some even said I was being paranoid, not being a "team player," or just really didn't understand the managed care concept and the managed care paradigm (and the joyful scenarios it would bring to chiropractic?).

So now, 10 years later, here are my original 20 predictions of what would happen if managed care began to dominate third-party reimbursement for chiropractic care, including some comments and examples. These may not be purely "evidence-based," but let's look at the available evidence anyway.

1. Chiropractic college enrollment would drop precipitously, and with the colleges being tuition-dependent, would endanger the solvency of the financial base of the schools. In 2005, the Association of Chiropractic Colleges (ACC) affirms an overall drop of just below 40 percent in the past decade at all American chiropractic colleges, with a tuition revenue drop to match - a massive quantitative reduction.

2. A lack of financial incentives, availability of relatively more financially rewarding alternatives, and realistically diminished expectations of attaining a professional level of income commensurate with their education, training, and work performance would discourage a generation of the "brightest and best" from matriculating into chiropractic college curriculums - a massive qualitative reduction. In March 2005, a CCE surveyor cited one chiropractic college for the lowered level of the caliber of students being admitted to its DC program; academic deans and faculty frequently comment that their current student body is less qualified than 10 years ago.

3. National and state chiropractic professional associations would suffer large membership losses, despite having a larger eligible base. Both ACA and ICA (and COCSA) now acknowledge reduced dues-paying members (less new and less renewals), even though the number of new graduates and new licentiates pool exceeds the attrition due to retirement and death.

4. The number of DCs joining so-called "secondary associations" would drop. In 1995, there were

over 800 DCs in the American Public Health Association; as of March 2005, there are 230.

5. DC income would drop drastically. Trade journals and professional societies have all reported an approximate gross mean drop of 40 percent in the past 10 years, and most report an increase in overhead expense, making the net drop even greater.

6. Many competent DCs would voluntarily leave the field, retire early, change careers, reduce practice to part-time, and/or pursue unrelated occupations as either primary employment or to supplement dwindling incomes. The IAF report estimated an all-time high of nonredundant license-holders - 72,000 in the U.S. in 2002 - but using an unproven formula, estimated that only about 85 percent are actually engaged in practice. Besides the formula itself being dubious, other problems are that chiropractic college faculty who do not practice at all, still usually maintain active licenses; DCs who have been forced into other occupations but still treat some patients often maintain current licenses; many other current licentiates practice part-time only; and there are others who do not practice for a variety of reasons, but still maintain licensure (like me!). To guess that only 15 percent of active licentiates are not practicing or not practicing full-time appears to be a serious underestimate; my anecdotal observation is more like one-third of licentiates not practicing. Incidentally, I recognized my waiter at a fine steak house outside LA recently - a former honors grad from SCUHS/LACC with three years' experience. And the real estate broker who helped arrange my recent home loan is a skilled DC with 20 years' experience; he brokers real estate loans to supplement his inadequate managed-care-era practice income.

7. The number of donors and sizes of donations to various chiropractic professional, political, and charitable causes would decline. The CEOs of both the ACA and the ICA have confirmed this to me. Out of economic necessity, various organizations now aggressively solicit commercial vendors for corporate sponsorships and donations, to compensate for the reduction in individual donations and dues they have suffered; some even accept donations from managed care organizations due to economic necessity. Generosity is partly a function of the availability of discretionary income, and DCs have had theirs greatly reduced. On the other hand, MCOs now donate to several worthy causes (easy enough to do - it's not their money in the first place); just like the tobacco companies, this public relations philanthropy buys them credibility, image, respectability and less organizational opposition.

8. The proportion and raw number of DCs committing various degrees of insurance fraud would increase, some driven more by economic desperation than criminal tendencies. The FCLB now reports a huge increase of complaints filed into its CIN-BAD database; one of my own former colleagues was just released from Avenal State Prison after serving time for insurance fraud, something he had never even been tempted to do pre-managed care.

9. The number of questionable "practice-building" tactics, such as selling pre-paid multi-visit treatment plans; high-pressure sales and even scare techniques incorporated into reports-of-findings; widespread adoption of Scientology-based training programs for DCs; and equating "wellness" with multiple adjustments and multi-mega-nutritional supplements in asymptomatic people, including multi-level marketing pyramids, would spread. No comment on this one - you tell me!

10. There would be more widespread additions of tangential products and services for sale in chiropractic offices to create secondary income streams for DCs. By 2005, there is more CAM, more acupuncture, homeopathy, naturopathy, weight-loss, electrolysis hair removal, body wraps, supplements, light and laser therapies, foot orthotics, anti-aging, chelation, computerized analyses, massage, magnets, "holistic" products, etc., than ever before. (*Note:* By grouping all of the above into one sentence, I do not mean to imply anything about their respective clinical merits or the lack

thereof, just their prevalence.)

11. There would be an overall decrease in the quality of chiropractic care, with less emphasis on high-quality spinal adjusting. Recent polls show public confidence in chiropractors to be about the same as for used-car salesmen. Last year, NUHS President James Winterstein described his difficulties in identifying a DC to whom he could make a referral for an adjustment, without having the patient exploited or sold other things in addition to or in lieu of an appropriate adjustment. I have personally encountered the same phenomena in making referrals.

Of course, managed care decreases quality of care overall, not just chiropractic care: "*Large managed care institutions are doing what they are supposed to do - maximizing their profits for shareholders and themselves. That combination is what leads to a degradation of health care for the American people.*" - Quentin Young, MD, former president of the American Public Health Association, quoted in the *St. Petersburg Times*, August 24, 1997.

12. Banks, lenders, and financial institutions would exhibit less willingness to loan recent graduates money for practice startups or purchases. Would you loan money to someone with no track record of successful practice, $120,000 in student loan indebtedness, and no reasonable expectation of an income sufficient to guarantee repayment? If you doubt this, call your local bank and ask.

13. A large decrease would be seen in the former FMV of established practices for sale when a DC retires, relocates, or wants to sell for other reasons. Tried to sell one lately? Had yours appraised professionally lately? You won't like what the agents will tell you; practices are hard to sell and no longer sell for anywhere near what they are worth.

14. There will be an overall decrease in job satisfaction among ethical DCs. In 2005, Dr. Karl Kranz, executive director of the New York State Chiropractic Association, reported widespread dissatisfaction and economic insecurity among New York DCs, high anxiety and even panic and despair, with two documented suicides and likely a third in the previous year in New York - one of the largest chiropractic states. Oh, yes, Dr. Kranz also decried the massive reduction in income to the NYSCA - DCs just simply cannot afford to pay dues or donate anymore with their greatly reduced incomes.

15. There will be a major shift in the distribution of the health care dollar - a shift with the bulk of the money being taken away from the providers of care and diverted to the profit pockets of the third-party payers, insurance companies, managed care companies, and the insurance industry as a whole. This has indeed taken place, and along with this shift, there has been no less cost in toto; no change in the percent of the GNP spent on health care (still 14 percent after several years of managed care dominance - the same as it was before managed care), the same $817 billion per year spent on health care, no real cost containment, and no evidence-based cost reductions or savings to the patients or their employers who purchase health insurance. The only real change is that now, 50 cents of every dollar paid under a managed care chiropractic benefit is kept by the MCOs. Like utilization review in hospitals 30 years ago, managed care did not result in any cost savings, but merely shifted revenues to a huge new bureaucracy of middlemen who contribute nothing to the hands-on care of the patients.

16. There will be a huge increase in insurance industry profits, as managed care products replace traditional indemnity and major medical plans, and are found to be the most profitable products ever sold by the insurance industry. Annual reports show that all U.S. insurance companies are making rather fantastic profits, and at a rate much higher than ever before; managed care plans are much more profitable than any other plans ever sold to the public and to employers. Maybe it's

a coincidental statistic that insurance industry profits rose 40 percent during the time that DC incomes dropped by that same figure of 40 percent (reported for 1995). In 1998, it was reported that all physicians' incomes had been dropping at a rate of 14 percent per year.

17. Full-spine radiography would be made practically extinct, without regard to the use of excellent radiation reduction procedures, including shielding, blocking, filtering, collimating, calibrating, rare earth screens, high KvP technic factors selection, etc. This too has taken place to such an extent that most film vendors no longer even carry 14 x 36 inch film.

18. The managed care "Big Lie" ("We won't be cutting into your existing insurance revenues, we'll just be opening new markets and providing access to cohorts that had no chiropractic benefits before, such as Health Net, PacifiCare and Kaiser for you...") would be exposed as the blatant untruth it always has been. How quickly, after signing up a few groups that formerly had no chiropractic benefits, did the MCOs redirect their efforts and aggressively market their wares to the plans that had good chiropractic benefits previously? And how many years later did it take for MCOs to start adding workers' compensation and auto med pay plans to their portfolios?

19. The new wave of acceptance of CAM that started in the 1990s, and could have greatly benefited DCs financially, would be more than offset by a wave (more like a tsunami) of financial losses caused by managed care going in the opposite direction. Again, this speaks for itself. It is a fact that every other CAM provider has benefited, but DCs who are the largest and have the strongest scientific base of all CAM providers, have experienced an income decrease, because DCs are the only CAM providers widely reimbursed via managed care mechanisms.

20. Most DCs would regretfully conclude that managed care was the worst Trojan horse ever inflicted upon their profession. You tell me!

Ten years ago, a respected colleague, Dr. Paul Krynen of Torrance, California, used this analogy to describe managed care: In the 1920s in New York City, Italian immigrants owned and operated a variety of cottage-industry, mom-and-pop neighborhood stores. Over time, mafia thugs immigrated from Italy and Sicily and demanded that these shop owners pay a large percentage of their profits for "management and protection," and for establishing another layer between the business owners and their customers/consumers, or risk losing their shops. I thought at the time that Dr. Krynen's analogy was far-fetched or at least a stretch in logic. In retrospect, he may have had a keen insight. Incidentally, he made this analogy before the largest chiropractic MCO expelled him for being "uncooperative and resistant to managed care concepts."

Prediction #8 (page 46) deserves further comment. Insurance billing fraud is terrible, deplorable and inexcusable. But I contend that there is more fraud perpetrated by the insurance industry's strategies against patients and providers than could ever be done by the providers and patients! Witness the successful class-action and other lawsuits brought against insurance companies (remember that many MCOs are owned by insurance companies), legislative remedies, newspaper horror stories, etc. The absolute fact is that the multibillion-dollar insurance industry has the money and the power to be in control most of the time, and to stifle any opposition. The actual dollars lost due to fraud are a drop in the bucket - or maybe in the ocean! One company alone, Prudential, reported daily net profits - that's daily, for 365 days per year - of $1 million by the mid-1990s. Note that this figure does not represent premiums collected or gross revenues; it is net profits after all expenses are paid! That same year, that same insurance company reported having $196 billion in assets. Regretfully, I don't have access to more current figures, but with managed care being more widespread now, insurance industry profits are even greater. Insurance companies and MCOs typically pay their CEOs and other executives annual salaries of several million dollars, plus stock options and "golden parachute" contracts. Does any DC get anything comparable to those huge salaries or huge net profits per year, or per decade, or even per an entire career? Does even the entire chiropractic profession have such wealth or accumulated assets?

In the March 26, 2005 issue of *Dynamic Chiropractic*, Don Petersen declared, "The End Is Near - For Managed Care" [www.chiroweb.com/archives/23/07/17.html], and reported some important findings and conclusions. For years, the managed care model has gained in acceptance, partly because its proponents touted it over and over as the "only model for the health care of the future." Herr Joseph Goebbels used the same propaganda technique in the 1940s: keep repeating an untruth over and over until it becomes accepted as the truth. A new and better paradigm will never evolve or be developed until we stop believing that managed care is the "only model for the future."

Predicting the future is risky business. In Greek mythology, the prophetess Cassandra was cursed by always predicting accurately, but at the same time never being believed; she told Paris not to bring Helen to Troy and told the Trojans not to bring the Trojan horse into their city ... no one believed her.

So, I correctly predicted the 20 aforementioned items. Now, I cannot prove cause and effect for them. In 1995, I merely looked at managed care practices and predicted that these 20 things would be the result. Maybe they would have happened anyway and managed care did not cause them, but indeed, all have taken place to a greater or lesser degree. Maybe I'm a pretty good futurist myself. Want to know what I'm predicting next?

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