

Settlement Negotiated in Michigan Blue Cross/Blue Shield Lawsuit

MICHIGAN CHIROPRACTORS BAND TOGETHER TO IMPROVE REIMBURSEMENT

Thomas M. Klapp, DC

In 1994, the Michigan Chiropractic Council (MCC) and the Michigan Chiropractic Society (MCS) came together to bring legal action against Blue Cross Blue Shield of Michigan (BCBSM). The issues were:

- The Blues were not paying doctors of chiropractic fairly. They devised a system of reimbursement that was specifically designed to discriminate against DCs.
- The Blues refused to pay for examinations, which, in numerous court cases, had been found to be within the scope of practice.
- The Blues refused to pay for traction, which had also been found to be within the scope of practice.
- The Blues refused to pay for anything other than "A2000 office visits" and x-rays at a reduced rate of reimbursement (compared to medicine, osteopathy, hospitals, etc).

In the first two years of the legal action, BCBSM succeeded in stalling the proceedings by first getting the suit moved from Detroit Circuit Court to the U.S. Federal Court; then getting it moved from U.S. Federal Court into the Michigan Insurance Commissioner's office for a hearing.

With a few minor exceptions, this hearing resulted in a victory for the chiropractic profession. This outcome proved to be the "handwriting on the wall" for BCBSM. With a legal defeat fairly certain, BCBSM then took the unprecedented step of asking the two associations to negotiate a settlement.

The negotiations took approximately six months to complete, but on March 1, 1999, the new agreement went into effect. Under the new agreement, BCBSM will now:

- pay for the CMT codes based upon the number of spinal regions adjusted;
- eliminate the "X" codes, the codes that were designed to combine CPT codes and reduce payments for chiropractic x-rays;
- pay for one "E&M" code for a new patient on the same day as a CMT code is billed;
- pay for one "E&M" code annually for an established patient on the same day as a CMT code is billed;
- pay for "mechanical traction," including: intersegmental, lumbar distraction, cervical traction, etc.;

- pay for all procedures at full "Resource-Based, Relative Value System" (RBRVS) reimbursement levels.

This settlement should result in a major improvement in reimbursement for chiropractic services by BCBSM in Michigan. This successful legal action is a great example of what can happen when doctors of chiropractic work together against our true adversaries and for the good of the profession and our patients.

Thomas Klapp,DC
Past President
Michigan Chiropractic Council
Ann Arbor, Michigan

Editor's note: For a complete chart of the new CPT codes and billing information, the Michigan Chiropractic Society directs those interested to the February edition of *The Record*, the BCBSM publication.

Contact information:

Michigan Chiropractic Society
820 N. Capitol, Suite 2
Lansing, MI 48906
(517) 367-2225
e-mail: chiromi@chiromi.com
website: www.chiromi.com

Michigan Chiropractic Council
416 W. Ionia St.
Lansing, MI 48933-1104
(517) 485-1649
email: gpc@mtserv.com

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