

## Managed Care Organizations -- What Are They Up To?

### SURVEY REVEALS PLANS FOR CHIROPRACTIC

Dynamic Chiropractic Staff

Of all the events and memories of 1996, one health care statistic stands out: 1996 was the first year that HMO enrollment exceeded conventional health plan enrollment.<sup>1</sup>

The juggernaut of managed care of course has a significant effect on the costs and type of health care packages offered. But what are the attitudes and intentions of managed care organizations (MCOs) concerning the types of plans and benefits they offer? What are the MCOs up to?

Managed Healthcare,<sup>2</sup> a well-known magazine in the managed care arena, recently conducted a survey of 230 MCOs ranging in size from less than 100 employees to multi-billion dollar companies with total covered lives in excess of 100,000.

Type of MCOs Surveyed:

Health Maintenance Organization (HMO)	42.3%
Preferred Provider Organization (PPO)	20.7%
Independent Practice Association (IPA)	14.9%
Physician-Hospital Organization (PHO)	6.8%
Combination	22.1%
Other	18.5%

Of particular concern to the chiropractic profession is the level of "ancillary benefits" being offered by the MCOs, and those being planned for the next 12 months:

Ancillary Benefits

	Currently Offered	In Next 12 Months	Total
Vision	73.9%	23.1%	97%
Dental	67.9%	21.2%	89.1%
Behavioral Health	79.4%	3.8%	83.2%
Pharmacy	75.2%	5.8%	81%

Rehabilitation Services	72.5%	3.8%	76.3%
Home Health Care	73.9%	1.9%	75.8%
Chiropractic	64.2%	11.5%	75.7%
PBMs	49.5%	7.7%	57.2%
Long-Term Care	41.7%	9.6%	51.3%

While chiropractic is the third most likely benefit for MCOs to add, it is still planned by half as many MCOs as vision and dental benefits. Should this trend continue, chiropractic benefits in managed care plans could reach parity with other "ancillary benefits" over the next few years.

Also of interest is which ancillary benefits are offered "in-house" and which are subcontracted:

#### Where Ancillary Benefits Are Offered

	In-House	Subcontracted
Behavioral Health	55%	56.5%
Pharmacy	45%	46.5%
Home Health Care	45%	53.5%
Vision	48.1%	52.9%
Rehabilitation Services	50.4%	49.4%
Dental	33.3%	54.1%
Chiropractic	29.5%	54.7%
PBMs	21.7%	45.3%
Long-Term Care	20.2%	35.3%

Note that less than 30% of the MCOs surveyed offer chiropractic as an in-house benefit, a far cry from vision care which is offered as an in-house benefit by almost half of the MCOs.

#### Information Systems

One of the most telling aspects of this survey were the results from the questions on information systems and the Internet. Over 93% of the MCOs surveyed have some sort of information system, with almost 30% of those currently being outsourced. When all of the MCOs were asked about their plans for the next 12 months, over 27% stated that they would be purchasing information systems. Obviously, these will result in additional systems, upgrades and/or bringing the information systems in-house.

Most of these MCOs are very keen about the Internet, with almost 75% enjoying online services or Internet access. Pharmaceutical companies are making the most of the Internet, with almost 30% of these MCOs have access to drug company's web sites. Forty-four percent of these MCOs have their own web sites with another 31% planning web sites in the next six months.

#### Information on MCO Web Sites

Product	29.4%
Company	27.9%
General Information	23.5%
Services	20.6%
Health	11.8%
Network	8.8%
Benefits	5.9%
Marketing/Sales	4.4%
Job Opportunities	2.9%
Other	32.4%

Information services are, in general going electronic. Consider what services are currently being utilized to track patients, claims and care, versus what is planned within the next few years:

#### Information Services

	Currently Utilizing	May Implement in Next Few Years	Total
Voice Mail, E-Mail or Voice Recognition Systems	82.4%	15.4%	97.8%
Quality Guidelines, Criteria & Compliance Analysis	61.5%	34.6%	96.1%
Electronic Claims & Remittance	67.3%	27.9%	95.2%
Eligibility and Referral Tracking	62.9%	30.9%	93.8%
Managed Care and Claims Adjudication	80.5%	13.2%	93.7%
Online Results Reporting	46.3%	38.2%	84.5%
Electronic Medical Records	23.9	52.9%	76.8%
Electronic Prescription Systems	37.1%	31.6%	68.7%
Patient Chart Tracking	29.3%	33.8%	63.1%
Image Management Systems	25.4%	34.6%	60%
Patient Flow Tracking	26.8%	30.1%	56.9%
Resource Load Balancing	11.2%	22.8%	34%

This survey shows a number of important trends for managed care organizations and how they operate.

1. In general, MCOs are adding ancillary services, including chiropractic.
2. The need to reduce paper and speed processing is forcing information, review, claims and payment to go electronic.
3. The Internet is playing an ever increasing role in how MCOs present themselves, with over 75% with web sites either online or planned in the next six months. (A future study should be designed to address the use of intra-nets by the MCOs.)

While these survey results give a good picture of the next year, DCs would be well advised to monitor these trends as they prepare to practice in the 21st century.

Editor's note: Special thanks to Managed Healthcare for making the results of this survey available. Those wishing to stay in touch with the ever changing world of managed care are encouraged to subscribe to

Managed Healthcare,  
131 W. 1st Street, Duluth,  
MN, 55802,  
phone number 1-800-346-085, ext. 477.

### *References*

1. Survey of Employer Sponsored Health Benefits, KMPG, 1996.
2. Managed Healthcare, Nov. 1996, vol. 6, #11. The full survey was not printed in the magazine, but is available from the publisher at (212) 951-6676.

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