

## Myths of Managed Care

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Have you heard doctors say:

1. Managed care reimbursement is too low to be worth it.
2. A good contract will flood my office with patients.
3. Being involved in managed care will save my practice by producing new patients.
4. It is unimportant to my practice's existing patient base to join managed care entities.
5. It is not worth filling out the paper work.
6. A practice only needs to be on a couple major PPOs.
7. Being under managed care will not alter office procedures.
8. Chiropractors are discriminated against in managed care.
9. "Any willing provider laws" will save chiropractic in managed care.

I have heard them all, as well as many other myths about managed care. I believe it is worth your time and economic future to examine some of these closer.

#1. Reimbursement is too low to be worth it.

It is true that some managed care contracts offer ridiculous fee schedules or inadequate percentages. However, most managed care entities have fairly good reimbursement schedules. Often reimbursement will cover 90-100 percent of your typical fee. This is because often fee schedules are obtained by combining physical therapy, hospital, DO and chiropractic charges for same or similar procedures. Chiropractic has long been cost effective and priced significantly lower than these other entities, therefore they often cover chiropractic adequately.

#2. A good contract will flood an office with patients.

In reality managed care is typically a long-term positioning for an office. Most offices need to be on panels for one year or more before there is a significant flow of new patients. The time depends on how many covered lives the MCO has in your area, how fast the MCO can process your paperwork, and how fast you will be included in the provider books. I have been on some PPOs as long as eight years. One in particular had little activity for four years, and later ended up with a huge market share bringing several new patients every month. They are now the top producing new patient PPO in my practice. To be "flooded" with new patients, you must be on many panels for a long time and work with these companies as they grow in this evolving environment.

#3. Being involved in managed care will save a practice by producing new patients.

A managed care contract will not typically flood your office with new patients, nor will it "save" your practice. Most people who are in a "survival mode" cannot wait for managed care to "save them" with new patients. However, it may "save" them by retaining existing patients. Doctors' egos often make them think existing patients will stay with them, even if they have to pay out-of-pocket, versus going to an office where their care is covered.

#4. It is unimportant to my existing patient base to join managed care entities.

Part of this was covered in #3. If your new patient level is staying the same, but your visits are going down, there is a "hole in the bucket." You are losing people. Patients are leaving chiropractic offices at an astounding rate and most doctors don't even realize it. Just look at a few of the growth stats for some major PPOs/HMOs: Oxford Health Plan, Inc., 1st quarter '95 earnings up 87 percent. MCO enrollment up 153,000 lives in three months! Pacific Care Health Systems up 28 percent 1st quarter. United Health Care Corp.'s MCO enrollment up 73% 1st quarter '95. And the list goes on as many of your patients join up and fade out of your practice.<sup>1</sup> You do not want this economically, but don't you also have an obligation to patients you have been taking care of? If it simply means putting out the effort to join their PPO panel to continue to care for them, why put them through changing doctors, possibly having new x-rays or new testing that will be repeats when you could service them appropriately?

#5. It is not worth filling out the paperwork.

You can't afford to not do it. The more people covered by managed care, the fewer people you will treat if you are not in managed care. The more managed care you are involved in, the larger your "market" of patients becomes. Your name will be in more provider books. This alone can reduce internal and external advertising. The paperwork is time consuming, but is offset by dollars saved in your PR budget. Therefore, it can be "highly paid" work through reduction of overhead.

#6. A practice only needs to be on a couple of major PPOs.

It is not enough to simply be on local PPOs. It is extremely important to be in as many PPOs as possible, including PPOs not active in your region yet. You never know who will be leaving tomorrow and who will take the market.

There is also a tremendous upheaval in rural America. Entire geographic areas are going through an unpredicted series of events. Rural Hospital Organizations are coming together to formulate PPOs that

cover vast regions. If you are rural, it's coming!

#### #7. Being on managed care will not alter office procedures.

If you are going to be involved with managed care, it is time to accept the fact there will be changes in office procedures. One main area is accounting: balance adjustments, write offs, non-collectibles.

You will also have to deal with the patient's emotional state. Sometimes they come to you because they feel they have no choice. Also, they are often stuck making co-payments at every visit (per contract) and cannot make payment arrangements. Sometimes they are unsure if they will be covered. Therefore, you must deal with finances, records and documentation changes. More PPOs are looking at "outcomes" and "quality assurance." This requires implementing new procedures. It sounds like a lot of change, and is, but you may as well accept that it is coming even if you do not participate in managed care. The government, standard insurers, and even cash patients are going to demand this as awareness levels rise. Payers and patients demand to know what kind of results can be expected and how cost effective those are. They will also demand that the appropriate provider serve them. With the federal guidelines from AHCPR being available to the general public, they will increasingly question when there is a lack of chiropractic referral. This will change your procedures with MDs and PCPs. You will want to take on the role of educating them to "keep them out of trouble." In a recent ACA article Robert P. Sherman Esq., and C. Jacob Landenhiem, Esq., state: "The legal principles discussed ... are equally applicable to a case where the MD fails to discuss manipulation before prescribing drugs. The failure to provide this information could leave the physician vulnerable to a law suit".<sup>2</sup>

#### #8. Chiropractors are discriminated against in managed care.

Some managed care organizations have zero or token chiropractic panels, however the majority have chiropractic panels and many are willing to expand with high quality chiropractors. Still, some doctors feel "wronged" after dealing with a company that has been resistant to chiropractic.

#### #9. Any willing provider laws will save me.

Any willing provider laws are probably going to have little impact in the long run. Companies that already want and have chiropractic will not be affected, so why wait? Why assume you can "get in" later? Patients re-establish themselves with the first doctors on the panel. Several states have repealed their "any willing provider laws," so it is not a guarantee. In states that have "any willing provider laws", most insurance companies that don't wish to deal with it usually have ways to minimize impact. It's pretty simple to "lose" initial applications, extend credentialing processes from 120 days to six months, publish official provider's books once a year, etc, in other words, drag it out to literally take years. I don't think as a professional you can wait to be "saved" by legislation, nor can you sit idle if legislation is against you. Support associations, coalitions, or other special interest groups to take on legislative and political battles while you do your best to get on every reasonable panel you can to position yourself for the future. Otherwise, you may be standing watching your patients walk out the door.

#### *References*

1. Health Care companies post first quarter earnings. FCER Week In Chiropractic May 8, 1995 - Source. P.R. News Wire May 2 and 4, 1995 Business Wire May 2, 1995.

2. Robert P. Sherman, Esq. and C. Jacob Landenheim, Esq. Truly informed consent. Journal of The American Chiropractic Association, June 1995.

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