

## **Not-For-Profit PPOs vs For-Profit PPOs or, WHY ROOSEVELT DIDN'T SEEK HITLER'S ADVICE**

Etienne DuBarry

Does this title surprise you? In case you don't know, we are in an economic war. We have created not-for-profit PPOs run by chiropractors for chiropractors. Those PPOs solicit contracts from major insurance carriers on behalf of their members and bid against a majority of for-profit PPOs. This bidding war is driving down the fees offered for your services. As a result, many newer practices are being wiped out. In Florida and California, for instance, up to 60 percent of the health insureds have switched to underpaying managed health care plans.

Anyone, including a for-profit PPO, has the right to operate a business and make a living. However, more and more the for-profit PPO, once viewed simply as a middle-man, has become an economic enemy. You don't invite the enemy to run your business.

The elected members of some state associations are jumping on the managed care bandwagon by becoming shareholders and, in some cases, board member of for-profit PPOs. To add to the problem, board members of not-for-profit PPOs also have vested interests in some for-profit PPOs.

Holding an elected position in a branch of a state association while owning shares or stock in a competing managed care association is a direct conflict of interest. It would be the same as giving your representative donations to fight the tobacco industry, knowing that he owns stock in tobacco companies.

As professionals, chiropractors have a vested financial interest to not have fellow chiropractors bidding against each other. The interest of the group should supersede the interests of the individual. When we as a group vote for an association representative, we expect that the interests of the group will be enacted, not the personal interests of the representative.

State organizations have to protect themselves. Not-for-profit PPOs and IPAs have to do the same. The process for this should be easy and straightforward.

1. A clear definition of a potential conflict of interest needs to be determined. Tenure should be determined by elimination of conflicts of interest.
2. Any elected members should be required to take an oath prior to tenure. The oath should state that the elected member has given exact and truthful information.
3. If a breach of such an agreement occurs during tenure, predetermined steps of action need to be defined and taken to rectify the situation.

My purpose is to clarify a situation which could be potentially dangerous. Most of our members who are currently in such a conflict of interest have protected the interests of the profession, rather than their own.

In the same vein, several chiropractors with no strict affiliation are looking to create a chiropractic watchdog group. We're looking for dedicated people who love their profession and are willing to work hard without financial gain. If you are interested, please call Dr. DuBarry at (407) 622-9197.

#### A Few Words about Not-For-Profit PPOs (NFP PPOs)

It appears that the competition given by the NFP PPOs has scared many potential for-profit PPO investors away from the market.

There is a push by for-profit PPOs to nationalize and cross their own state borders. This push should be matched by NFP PPOs if they wish to remain competitive. As a result, the Florida not-for-profit PPOs are seeking partners nationwide to build a multi-state network and create a common advertising budget. If you have any questions, please call Greg Cristoff, head coordinator for the Florida NFP PPOs at (407) 291-2023.

A federation of Not-For-Profit PPOs will need to create and coordinate a national committee that will work on various non-financial subjects. This committee should be headed by delegates from every state. Chiropractors with creative ideas and good communication and administrative skills should consider applying for the committee.

Each state association should support the immediate creation of a national federation even if the need does not appear imminent. By doing so now, they can help avoid potential problems in the future.

It is interesting to note that many insurance carriers are more interested in dealing with not-for-profit PPOs, as long as they are competitive, because not-for-profit PPOs have a higher degree of doctor satisfaction. Doctor satisfaction is closely related to patient satisfaction; the patient's satisfaction corresponds favorably to the insurance company's rating.

It appears that in some managed care programs, on a per-patient visit, the money allocated to chiropractic physicians can be up to four or five times less than that allocated to non-chiropractic physicians. The allocation of funds often happens before any kind of bidding occurs. This allocation process is widespread and could constitute disguised or implied discrimination. It is suggested that a panel be created to monitor the allocation process; documentation of such discrimination could be instrumental in a class-action lawsuit.

The selection criteria of major PPOs are still arbitrary and are not published. To my knowledge, no lawsuits have yet been filed to correct the situation and help make this information available.

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