



Market Trends Signal Major Changes in Direction of Chiropractic Revenue Stream

Finding out your revenue source can help you prepare for the future and prevent a practice crisis

By Robert Hoffman, D.C., F.I.C.A.

The world we have come to know and think we understand is changing at a pace that is amazing, if not alarming. In no realm is this truer than the health care marketplace. The chiropractic practitioner has enjoyed unprecedented success in the past decade, drawing on a diverse and relatively open range of revenue sources, from private pay to Medicare, with many if not most insurance sources providing payment for chiropractic services.



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In the past year, however, the pace of change in the health care marketplace, mirroring the economy at large, has dramatically increased. Unaware of these changes will leave you vulnerable and compromised. Awareness of these changes will position you and our profession to expand and grow.

Strong signals and market trends contain important messages for the doctor of chiropractic. The private insurance industry continues to reel from the massive losses of 9/11, a continuing AIDS epidemic, and spiraling health care costs, led by drug prices that continue to grow at about 17 percent annually. If this news isn't bad enough, the crashing financial markets around the world have hit the insurance sector harder than perhaps any other industry worldwide and deprived it of its financial foundations.

Impact of market trends and implications for health care professionals

Companies have much reduced margins and something must go to make up the difference in revenue versus payout. Because chiropractic is at the end of what the established health care establishment sees as the natural priority list, we are automatically the target for immediate scrutiny and cuts, as premiums must now more fully fund the activities of companies that previously were able to look to the financial markets as their main money maker.

With an eye on the bottom line like never before, health insurance companies are on the move, changing procedures, increasing deductibles and patient co-payments and even going so far as to look back at previously paid claims and trying to recover money already paid on earlier claims. The Michi-

gan Chiropractic Association, in a recent publication reported a shocking example of this kind of activity.

BlueCross/BlueShield (BCBS) in

Michigan has been directly contacting chiropractic patients on whom claims have been settled, inquiring as to whether the injury or condition for which the claim was filed might be work related. If there is even the slightest chance of possibility, BCBS informs the practitioner that the claim should have been processed through the state workers' compensation program and that payments for care were improperly distributed and refunds are demanded.¹ Likewise, ICA has been contacted by members from across the nation with reports of post-payment reviews of claims by private insurers from as far back as five years ago.

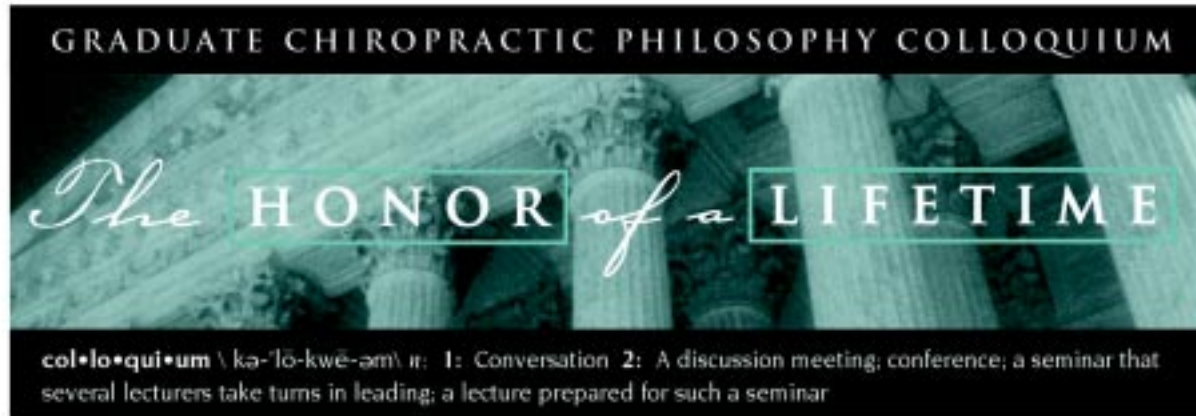
Using Medicare as a model and applying new standards, post-payment review efforts are targeting anything resembling "maintenance" care. Some DCs have even reported that insurance companies are talking about filing complaints for over utilization for adjustments applied to "non-symptomatic" regions of the spine, regardless of what is revealed by standard chiropractic analysis procedures, including x-rays.

With over a trillion dollars at stake in the health care economy each year in the United States, the insurance industry clearly feels that all is fair in this fight to keep their ledgers in the black. Premiums for health care coverage continue to rise, with increases from 15 to 30 percent being routinely imposed on even small health plans.

The government-funded programs such as Medicare and Medicaid; workers compensation and public employee programs are under their own pressure because a declining economy means declining tax revenues. When governmental bodies have less money, everything gets cut.

Larger industries and corporations have made the decision to self-insure, side-stepping many of the regulatory obligations they feel keep costs up, including state-mandated insurance equality laws. This single move, using the Employee Retirement Income Security Act, the so called-ERISA law, lets these companies organize their own coverage, usually hiring an insurance

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