

**“Preparing for the Inevitable”
(Thriving in the New Health Care Marketplace)
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More and more companies in America are changing their approach to providing health care benefits for their employees. According to the United States Bureau of Labor Statistics the number of employees with employer sponsored health insurance has declined from 80% in 1989 to 66% at this point in time. The model most health care providers have grown accustomed to has eroded, and based upon other trends in the insurance business, will be replaced by a consumer driven model. United Health Group, Inc., one of the largest and most influential companies in the insurance industry, along with others, have begun to lay the groundwork to capitalize on this new consumer driven model. Federal legislation allows for personal health savings accounts. The major insurers have positioned themselves to be able to manage the assets in these health savings accounts; a new profit center for the insurance companies, and proof that the new model structure is in place. This new model has significant implications for chiropractors.

The consumer driven model is one with a high deductible and relatively low premium. This product is coupled with an investment in a tax deferred health care savings account. The high deductible policies (from \$2000-\$5000 per family per year), have individuals and families using more of their own funds to pay for routine health care visits, and by design, puts market control of pricing in the hands of the health care consumer.

Chiropractors who have grown accustomed to a higher per visit charge and collection scheme for a short or modest number of office visits are finding more and more their income is dropping as patients with ever higher deductibles and dwindling coverage are more judicious and involved in choosing their provider. The concept many insurers tout is the need for more personal responsibility in health care to control

costs. The chiropractor that is, at present, dependent upon an artificially high collection per visit due to third party pay, must change this tactic in order to survive as a viable business in this new market climate. Historically, patients paying for their care directly, are more involved in their care, and often respond more favorably to the doctor's treatment regimen and lifestyle recommendations than patients with third party pay.

Chiropractors utilizing CBP™ protocols with patients who choose to rehabilitate their spine and posture must have a sufficient number of office visits to provide the care demanded by the patient's abnormal structure to attempt to improve or correct it. Therefore, due to the adoption of this new consumer driven model, the patient will, indeed, *must* be involved, in the financial obligation of their care.

Any scheme derived which involves paying for chiropractic care ahead at a discount is fraught with potential challenges, and is difficult if not impossible to defend based upon the current CBP research. In other words, any attempt to "predict" what volume or duration of care a given patient will need is not defensible. Writing off deductibles of \$2000-\$5000 is not only of questionable legality, but owing to the higher cost of modern deductibles, not financially practical. The only reasonable approach to charging and collecting for care is a modest per visit cost, borne primarily by the patient. In other words, a predominantly cash practice is the practice of the future. In many states, it is legal to offer a time of service discount for care if the care is paid for on the same day the care is provided. Each individual doctor should contact their respective state board to ascertain the legality of this practice in their own state. By collecting at the time of service, a direct relationship between the service provided and the value of the service, in monetary terms, is promoted. In time, this financial policy also has a positive impact on patient retention.

The chiropractor that wishes to succeed in the health care marketplace today must do so with honest, direct, doctor-patient communication, efficient and organized office procedures, and a realistic and fair fee for service. Patients are no longer willing to "look the other way" while their insurance is billed or in many cases "hyper-billed", as they now realize that this practice ultimately results in higher premiums and lower coverage for them personally. The patient fully aware of the services rendered, fees charged, and collected is left with full

knowledge of the process. A new paradigm is therefore established; service provided, and paid for by the consumer.

The chiropractor who is proactive in organizing or re-organizing their office, and dedicates themselves to improving their technical as well as personal skills, image, and communication skills can capitalize on this new trend in health care. The patient must be educated, not coerced; informed rather than intimidated, and provided with valid choices for managing their health care problems. Value for the services delivered must be established with each patient individually; people will pay for those things they value, or need, it is the American way. The ultimate reward is a practice of informed patients who understand the role they play in their own health, and an efficient, low overhead, profitable business providing an invaluable service to humanity.

Reference

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