

Myths about HMOs -- What You Need to Know before Making the Jump, Part Three

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Editor's note: This series of articles will dispel some of the misconceptions about HMOs. Parts one and two of this series appeared in the August and September issues of *Acupuncture Today*, respectively; part four will appear in the November issues.

HMOs: Myth vs. Reality

Myth #7: Fill the unfilled spaces in your schedule with HMO patients so you can have a full schedule.

Reality: This is a common recruitment tactic used by HMOs. The idea is that if you are not operating at maximum capacity, you can sign up for the HMO and fill those open appointment times. In actuality, this gives the HMO enough panel doctors to meet its geographic distribution requirements, and you agree to take a lesser payment for HMO patients. Your practice may initially be 5% HMO patients in this scenario, but over time, more patients could switch to the less expensive HMO, and your practice could become 50% or more HMO patients. Remember, when you accept less payment for services, the HMO passes it on to the consumer.

Myth #8: The HMOs have 95% of the insurance contracts in the area around your practice, so you have to sign up with them.

Reality: The HMOs have captured a substantial market share since the early 1980s. Some areas of the country do have greater than 90% HMO coverage. Several factors have contributed to this growth, but the big factor is that the doctors in these areas have only one option: to sign up with the HMO.

Or do they? In most cases, having a consistent, well-thought-out marketing plan backed with quality care means patients are willing to pay out-of-pocket for your care. You will see fewer patients, but at the end of the day, you'll have more money than if you were with the HMO.

Myth #9: HMOs are good for acupuncture and Oriental medicine. More people have gained access to Oriental medicine due to HMOs and managed care. It is good to be part of an HMO.

Reality: What is the cost to you, your family or your future, by allowing more people access to Oriental medicine? The inherent market pressure is for the HMOs to keep the profits and reduce reimbursements to the doctor while expanding market share. Ultimately, you will see many patients, but be paid poorly compared to non-HMO providers, and you won't be able to care for patients the way you want. You may realize that this is not your ideal practice setting.

