JAOA Original contribution

National study of the impact of managed care on osteopathic physicians

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The study reported here was designed to provide insight into the impact managed care has had on osteopathic physicians' ability to practice medicine, as well as data to substantiate the prevalence of the specific problems encountered by the 40,000 osteopathic physicians in the United States. New data on the extent to which osteopathic physicians use osteopathic manipulative treatment was also obtained, as a review of the literature revealed only two previous surveys on the use of osteopathic manipulative treatment. The American Osteopathic Association hired an independent research company to conduct the survey.

(Key words: osteopathic physicians, osteopathic manipulative treatment, managed care)

This study of osteopathic physicians who have managed care contracts was designed to provide the American Osteopathic Association (AOA) with insight into the impact managed care has had on osteopathic physicians' ability to practice medicine. Through working with member physicians, the AOA had anecdotal information, but no data to substantiate the prevalence of the specific problems encountered by the 40,000 osteopathic physicians in the United States. The AOA also wanted new data on the extent to which osteopathic physicians use osteopathic manipulative treatment (OMT). A review of the literature revealed only two previous surveys on the use of OMT.[1,2] The AOA hired the National Research Corporation (NRC, Lincoln, Nebraska) to conduct the survey.

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Methods

The AOA provided NRC with a list of 2756 osteopathic physicians licensed in the United States. These physicians were randomly selected from a list of all licensed osteopathic physicians who (1) had direct patient care through office-based practices, (2) had responded to previous surveys that they had managed care contracts, and (3) were not in the military or employed by the federal government, or not practicing in the United States. NRC then selected a random sample of 150 physicians for a pretest to whom surveys were mailed in May 1998. The remaining 2606 physicians were mailed surveys 2 weeks later, for a total of 2756 surveys mailed. A follow-up mailing was sent June 12, and returns closed August 3, 1998.

One fourth (710) of the questionnaires mailed were completed and returned, 523 of which came from osteopathic physicians having managed care contracts (*Table 1*). Only those who indicated managed care contracts were included in this report. The maximum standard error range for a sample size of 523 is ±4.3% at a 95% confidence level—this means that if 100 different samples of 523 respondents were each randomly selected, 95 times out of 100, the results would vary by no more than ±4.3% from what a survey of every respondent in this group would show.

Sample characteristics

Table 2 shows the sample distribution by gender, region, specialty, and practice type according to AOA biographical records. In addition to these demographic segments, the results were also analyzed by rural and metro geographies. Eighty percent of the respondents in the study were from metro areas (population centers of 50,000 or more), and 20% were from rural areas. Analysis by NRC showed that overall attitudes about participation in managed care were not significantly different between metro and rural osteopathic physicians; therefore, no additional analysis by these characteristics was done.

Managed care contracts

Osteopathic physicians who were surveyed participated in an average of 10 managed care contracts. Regional participation was similar, with a range of 9 contracts per physician in the Northeast to 12 in the West. Primary care physicians had more individual contracts than other physician types, with an average of 12 contracts (compared to 10 for other physicians).

Nine percent of physicians had only 1 contract; 38% had 2 to 5 contracts; 37% had 6 to 15 contracts; and 16% had 16 or more managed care contracts. Eighty-four percent of contracts had been in place for over 2 years, with 45% active for 5 or more years. The length of participation in managed care contracts did not vary significantly by demographic characteristics, with the exception of slightly shorter contract length in the South.

Osteopathic physicians participated almost equally in preferred provider organization (PPO; 21%), group model health maintenance organization (HMO; 21%), and network model HMO (19%) type managed care contracts, with slightly lower participation in independent practice organization (IPA) HMO (16%)

Table 1
American Osteopathic Association Survey Returns by Region

Variable	Region				
	Northeast	South	Midwest	West	Other
☐ Surveys mailed, No.	708	660	959	428	1
☐ Surveys returned, No.	75	56	242	36	
☐ Response rate, %	25	24	25	32	100
☐ Surveys of physicians with managed care contracts, No.	44	7	63	99	
☐ Surveys of physicians without managed care contracts, No.	31	39	79	37	1
☐ Respondents without managed care contracts, %	8	25	33	27	

contracts, and less than 10% of physicians surveyed participated in point of service (POS; 8%), physician-hospital organization (PHO; 4%), direct contract with employer (3%), and staff model HMO (2%) plan types. Regionally, participation in PPOs was higher in the South, in group model HMOs in the Northeast and Midwest, and in IPA HMOs in the West (*Table 3*).

Reimbursement and risk pool benefits

Thirty-seven percent of participating physicians received reimbursement by managed care contracts in the form of capitation, and 63% were reimbursed by discounted fee schedule. In terms of risk pool benefits, 50% of physicians surveyed identified withholds with their managed care contracts, while less than one fourth reported incentives (19%), risk sharing (15%), bonus sharing (14%), or stock ownership (2%).

Though two thirds of physicians listed discounted fee schedule as the reimbursement method used most often, capitation was more prevalent among primary care physicians than specialists and in the Northwest than in other regions. The type of reimbursement and incentives received from managed care contracts differed significantly by practice type. More physicians participating in partnerships and solo practices reported receiving fee-for-service reimbursement and incentives as part of their managed care plans than physicians in group practices.

Table 2
Distribution of Respondents With Managed Care Contracts (n=523)*

Variable	%
■ **Gender**	
☐ Male	84
☐ Female	16
■ **Region**	
☐ Northeast	25
☐ South	22
☐ Midwest	34
☐ West	9
■ **Specialty**	
☐ Family practice	59
☐ Other primary care†	13
☐ Non–primary care	27
☐ Osteopathic manipulative medicine and treatment	1
■ **Practice type**	
☐ Group	31
☐ Partnership	7
☐ Solo	47
☐ Health maintenance organization staff	3
☐ Other	2

*Base: Total sample.
†Includes general practice, internal medicine obstetrics/gynecology and pediatrics

Participation

Though over nine out of ten physicians reported their managed care contracts had been renewed, less than one fourth considered their participation in managed care as having been a positive experience. Dissatisfaction with managed care did not correlate strongly to perceptions of not being treated equally or not being recognized for their training; rather, it appeared to relate to lack of demand for osteopathic physicians, inadequate emphasis on preventative medicine, and less-than-expected patient volume (*Table 4*).

Overall perceptions of managed care did not differ significantly by region or other demographic categories, with the exception of practice type where solo practitioners show lower satisfaction than their counterparts.

Patient care

Over three fourths of osteopathic physicians believed they were fulfilling the role of their patient's healthcare advocate and have historically been able to deliver more cost-effective care than allopathic

Table 3
Type of Managed Care Participation—1998 Study (n=523)*

Type of managed care*	Region			
	Northeast (%)	South (%)	Midwest (%)	West (%)
☐ Preferred provider organization	12	29	23	22
☐ Health maintenance organization				
Group model	25	8	22	5
Network model	23	9	9	3
Staff model	2		4	2
Independent practice association	0	2	3	38
☐ Point of service	8	8	8	5
☐ Physician-hospital organization	3	6	6	
☐ Direct contract with employer	4	3	3	2

*Base: Respondents with managed care contracts.

Table 4
Managed Care Participation—1998 Study (n=523)*

Statement	Respondents (%)					
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean score†
☐ DOs/MDs treated equally in my geographic area	29	47	12	9	3	3.92
☐ Board certification/ training recognized	28	53	3	4	2	4.02
☐ Managed care contracts have been renewed	27	64	7	1	1	4.18
☐ No trouble acquiring contracts	22	42	6	5	5	3.60
☐ Participation has caused larger patient volume	13	43	26	15	3	3.49
☐ Preventive medicine emphasized	4	40	20	9	7	3.34
☐ Participation in managed care positive experience	4	17	19	36	24	2.41
☐ Osteopathic physicians in demand by managed care	4	6	54	20	6	2.93
☐ Happy participating in managed care	3	13	29	30	25	2.39

*Base: Respondents with managed care contracts.
†Strongly agree = 5; strongly disagree = 1.

Table 5
Respondents' Impressions of Patient Care—1998 Study (n=523)*

Statement	Respondents (%) Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean score†
☐ DOs are patient's healthcare advocate	30	47	11	9	3	3.92
☐ DOs deliver more cost-effective care	4	35	39	0	2	3.49
☐ May discuss treatment options	9	46	23	15	5	3.41
☐ Time with patient unchanged	9	35	2	30	4	2.96
☐ Patients' quality of care unchanged	7	29	17	35	12	2.84
☐ Patient relationships unchanged	7	28	2	40	3	2.77
☐ Am able to order testing	4	34	22	31	9	2.94
☐ Can provide medically necessary services	4	33	21	31		2.85
☐ Maintain clinical autonomy	4	26	23	35	12	2.73
☐ Have discretion on treatment plans	3	29	21	35	2	2.75
☐ Patients' access to care unchanged	3	20	10	50	17	2.42
☐ No conflicts on clinical diagnosis	3	7	6	46	8	2.41
☐ No drug restrictions	1	9	7	45	38	1.90

*Base: Respondents with managed care contracts.
†Strongly agree = 5; strongly disagree = 1.

physicians, but were stifled in their ability to deliver on their commitments to these patients by drug restrictions, access, and clinical decisions imposed by managed care (*Table 5*). This was further illustrated by their impression of the quality of care and time spent with their patients having changed under managed care. This perception appeared to be universal regionally and across practice types and specialties.

Administrative procedures

Managed care organizations are not discriminating against osteopathic physicians administratively; however, physicians disliked the additional administration and paperwork they perceive managed care has caused (*Table 6*). Again, this is a universal perception regionally and across practice types and specialties.

Dispute appeals process

Though restrictions on patient treatment are an issue, as noted earlier, the lack of faith in the appeals process also causes dissatisfaction with managed care (*Table 7*). Awareness and understanding of the appeals process for managed care disputes was significantly higher among physicians in the Northeast and West than in other regions.

Only 3% of osteopathic physicians had ever had a managed care plan either reduce their practice volume or discontinue their contract due to a clinical decision dispute.

Financial aspects

Overall, satisfaction with payment issues was similar between managed care and

Table 6
Administrative Procedures—1998 Study (n=523)*

Statement	Respondents (%) Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean score†
☐ No discrimination from managed care organization	18	56	14	9	3	3.77
☐ No problems obtaining source documents	3	58	7	9	3	3.70
☐ No problems processing any managed care applications	10	43	16	22	9	3.24
☐ Managed care causes no additional administration	3	8	9	37	43	.89
☐ Office staff has no trouble handling paperwork	2	5	8	39	46	1.76

*Base: Respondents with managed care contracts.
†Strongly agree = 5; strongly disagree = 1.

Table 7
Dispute Appeals Process—1998 Study (n=523)*

Statement	Respondents (%) Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean score†
☐ Aware of and understand dispute appeals	4	46	28	18	4	3.28
☐ Utilize appeals process	4	32	39	20	5	3.
☐ Medical director involved in appeals	4	27	32	29	8	2.89
☐ Appeals procedure is adequate	2	4	42	31		2.64

*Base: Respondents with managed care contracts.
†Strongly agree = 5; strongly disagree = 1.

indemnity plans. The relationship between income and expenditures fell in line with the perception that the risk involved in managed care is not worth the reward. Not only were finances not improved, but osteopathic physicians believed that their managed care patients were not receiving the better care and access that managed care should provide (*Table 8*).

Osteopathic manipulative treatment

Eighty-five percent of osteopathic physicians used OMT in their practices (*Table 9*). Use of OMT was greater in the western region of the United States than in other regions. Though two out of ten osteopathic physicians who used OMT used it on at least half of their patients, on a given day the average number of patients who received OMT was 20%. Family practice physicians were almost twice as likely to use OMT as specialty physicians, and those who used OMT used it on twice as many patients.

Osteopathic manipulative treatment was used by a similar percentage of physicians (85%) as used structural diagnosis

Table 8
Financial Aspects—1998 Study (n=523)*

Statement	Respondents (%) Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean score†
Income has not decreased under managed care	5	25	24	32	13	2.75
Understand terms of contract	4	38	31	22	5	3.3
Managed care payment in 45 days	4	38	20	28	10	2.96
Indemnity payment in 45 days	3	42	31	9	5	3.9
Informed of patient risk in managed care	2	30	32	28	8	2.91
Managed care patients receive better benefits than indemnity patients	2	0	20	45	23	2.21
Managed care patients have better access than indemnity patients	2	7	22	46	23	2.19
Managed care risk is worth reward		6	27	38	28	2.6
Office expenditures have decreased	1	3	13	49	34	1.86

*Base: Respondents with managed care contracts.
†Strongly agree = 5; strongly disagree = 1.

(89%) or osteopathic principles (92%). On any given day, physicians used osteopathic principles on 54% of their patients, as compared with the use of structural diagnosis on 34% of their patients and OMT on 21% of patients.

Use of OMT

Almost all respondents who used OMT reported using it on private pay (98%), fee-for-service (98%), and managed care patients (93%). Twenty-nine percent reported using OMT with patients in the hospital inpatient setting.

Reimbursement of OMT

Half of physicians who used OMT were not reimbursed by managed care plans, compared to 16% who were not reimbursed by indemnity plans. Thirty-nine percent of physicians using OMT were

Table 9
Use of Osteopathic Manipulative Treatment (OMT)—1998 Study (n=422)*

Variable	Physicians using OMT (%)	Daily average percentage of patients
Overall	65	21
Region		
Northeast	64	24
South	77	22
Midwest	65	21
West	56	26
Type of physician		
Family practice	95	23
Specialist	51	11

*Base: Respondents with managed care contracts.

Table 10
Osteopathic Manipulative Treatment (OMT) and Managed Care—1998 Study (n=359)*

Statement	Respondents (%) Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean score†
☐ Use of OMT has changed as result of managed care	10	20	25	37	8	2.86
☐ Managed care patients willing to pay		0	28	34	27	2.24
☐ Fee-for-service patients willing to pay	7	46	28	15	4	3.36
☐ Private-pay patients willing to pay	3	55	23	7	2	3.70

*Base: Pesponderts who use OMT with a percentage of their patients; respondents with managed care contracts.
†Strongly agree = 5; strongly disagree = 1

Table 11
Percentage of Respondents With Managed Care Contracts Who Had Problems With Reimbursement for Osteopathic Manipulative Treatment (OMT)—1998 Study (n=359)*

Statement	Respondents (%) Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean score†
■ **Problem**						
☐ OMT charge "bundled" into evaluation/management charge	4	17	20	33	26	2.40
☐ Reimbursement for manipulative procedures	3	16	20	36	25	2.35
☐ Reimbursement for fee-for-service patients	4	36	24	26	10	2.97
☐ Reimbursement for private-pay patients	8	52	23	11	6	3.44
■ **No problem**						
☐ OMT coding clear and accurate	3	26	22	35	4	2.70

*Base: Pesponderts with managed care contracts.
†Strongly agree = 5; strongly disagree = 1

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partially reimbursed by managed care plans, compared to 60% who were partially reimbursed by indemnity plans. Only 11% of physicians using OMT received full reimbursement by managed care plans, while 24% were fully reimbursed by indemnity plans. More osteopathic physicians in the Northeast reported lack of reimbursement for OMT by both indemnity and managed care than did physicians in other regions.

OMT and managed care

Though equal numbers reported their use of OMT did or did not change under managed care, osteopathic physicians using OMT noted that private pay and fee-for-service patients were more willing to pay for OMT than managed care patients (*Table 10*). Some problems were experienced with reimbursement for OMT overall, including the bundling of charges and coding issues (*Table 11*).

Comment

This survey will be used to facilitate discussions between managed care plans and the osteopathic medical profession—discussions that will attempt to educate the managed care plans on osteopathic medicine and to educate the osteopathic physicians on how to better work with the managed care plans.

References

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