

RESOLUTION 38

Fairness for Specialty Medical Providers

Submitted by Office and Professional Employees International Union
Amended by the Legislation and Policy Committee

WHEREAS, a resolution relating to the payment of medical professionals was adopted by the Pennsylvania AFL-CIO at its 2006 Convention; and

WHEREAS, the conditions relating to the adoption of this resolution have not changed in the three years since its adoption;

THEREFORE, Office and Professional Employees International Union (OPEIU) hereby offers the following resolution in furtherance of the sense of the resolution adopted by the Pennsylvania AFL-CIO:

WHEREAS, the members of Local 45 of the Office and Professional Employees International Union are specialty providers of foot and ankle care within the commonwealth of Pennsylvania; and

WHEREAS, more than 300 members of Local 45 are located in and around the city and county of Philadelphia and the counties that are contiguous to Philadelphia; and

WHEREAS, major health insurance companies in that geographic area offer certain health plans that only compensate the medical specialty of podiatry through a payment method known as "capitation"; and

WHEREAS, capitation pays medical providers a stipulated amount for each patient assigned to the medical provider, for each month the assigned patient holds a contract with the health insurance company; and

WHEREAS, the capitation system as applied in that geographic area inserts financial risk into the

patient-doctor relationship that should be borne by the insurance company with which the patient has a policy of coverage; and

WHEREAS, this capitation system is the sole method of compensation offered by several insurance companies in several plans in that geographic area; and

WHEREAS, the market of indemnified subscribers is divided between two major insurance companies, and there is no competing insurance entity with whom the Local 45 members can contract; and

WHEREAS, the amount paid to the participating podiatrists may not be sufficient to cover the financial risk of the patient/subscriber's care; and

WHEREAS, due to lack of competition in the relevant market described above, the podiatric provider is not in a position to refuse to supply the health care needed by the patient/subscriber; now

THEREFORE BE IT RESOLVED, that the AFL-CIO and its member unions oppose the present method of capitation and support the initiation of broad-based payment reform in health care that ensures fair payment to all providers for a full range of services in a more efficient manner than is employed today; and

BE IT FURTHER RESOLVED, that said insurance payment reform should be based upon national standardized measures of quality of the medical services provided, as opposed to the quantity of medical service provided.