



Private Practice Physical Therapy, 1985–1995

The “Managed Care Express” and Rise of the Corporates

by James E. Glinn Sr., PT, and Michael Weinper, PT, MPH

(Co-author’s Note: The three individuals having the greatest influence and impact on my professional career are Stanley Paris, my son Jim, and Michael Weinper. Early in my career, Stan Paris demonstrated to me what private practice really could and should be at a time when I was actually considering a new career. My son is currently embracing the tenets of APTA Vision 2020 to a greater extent than anyone else I know. The early efforts of therapists like Bob Dicus, Lucy Buckley, Florence Kendall, Charles Magistro, Jim McKillip, and others greatly influenced our profession and Vision 2020 as it exists today. It is arguable, however, that without the vision and efforts of one Section member, private practice physical therapy in many localities might very well have been destroyed by managed care and/or absorbed by corporate giants prior to the year 2000. That individual is Michael Weinper, and it is indeed an honor and pleasure to co-author this month’s article with him. [jeg sr.]

Passage of the Knox-Keene Act in the 1970s in California permitted the growth of HMOs, which influenced all of health care delivery and planted the seed for the reimbursement pressures that continue to impact private practice physical therapy today. In the 1970s and even through the middle of the 1980s, however, most private practice physical therapists prospered and with moderate efforts, grew their practices.

In the early 1980s, Michael Weinper, as a member of the California Chapter, APTA Board of Directors, was appointed to oversee what was then called the Commerce Program (basi-

cally a reimbursement and third-party payor committee). As program chair, Michael attended a meeting of the National Health Lawyers Association. It was at this meeting that Michael first learned of the concept of selective contracting. Indeed, during this conference, attendees were informed that the California legislature had just passed legislation allowing for formation of preferred provider organizations (PPOs). The “Managed Care Express” was on its way. Seeing the handwriting on the wall that would have overlooked therapists in private practice, Michael took the initiative to form the nation’s first specialty network; a provider network composed exclusively of private practice physical therapists. In 1985, after a year in the design stage, Physical Therapy Provider Network, Inc. (PTPN) started, composed of 118 private practices throughout California.

In the late 1980s to mid-1990s, most established private practices in geographies heavily penetrated by managed care began to experience a downturn in success. Panic set in among our profession. Practice owners first turned to various payor opportunities in industrial therapy, and some entered into their own capitation contracts with HMO medical groups. Large corporate-owned organizations began fanning the flames of what Michael called the “Fear Factor” (now the name of a hit TV show!). Frightened practitioners throughout the United States began selling their practices to various corporate giants. Reimbursement for physical therapy services in many markets became a “how low can you go” bidding war.

Throughout this period, Michael attempted to overcome fear among his network's members and the profession as a whole. His basic premise was, and still is, that while price negotiations may result in obtaining a rehabilitation services contract, it is exceeding expectations and quality of care that will allow retention of that contract. Weinper's network expanded to other states, while some of the other therapy networks that had formed during this time eventually sold to corporate giants. Some corporate giants evolved into publicly held companies. Others sold to physicians, hospitals, and other organizations.

I (Jeg sr.), as a stunned practice owner, witnessed this phenomenon spread throughout the country. Once the corporates went public, my belief was that no publicly held company could compete with private practice physical therapy in terms of quality or price and still keep shareholders satisfied (in today's world of increased reimbursement pressures by numerous payors, that is even more true!). In the mid-90s, Michael invited me on the road to spread this message to his network, which today consists of more than 1,200 independent, physical therapist-owned practices in twenty-two states.

Michael's resume reads like a "Who's Who of Physical Therapy":

- ▶ Numerous offices, committee and task force appointments at the state, Private Practice Section, and national levels, including his current appointment to APTA's Task Force on Referral for Profit
- ▶ California Physical Therapy Association's Royce P. Noland Award of Merit
- ▶ PPS's highest honor, the Robert G. Dicus Award, in 2000

His parting words to me after a lengthy discussion at CSM in San Diego this past February were simple and straightforward: "There is a bright future for private practice physical therapy!" Join Michael and other icons of our profession in celebrating this bright future at the 50th anniversary of our Section this fall in Miami at our Annual Conference! ■

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