

CAC

Collaboration For The Advancement of Chiropractic (CAC)

**A Strategic Approach To Expand Chiropractic's Role In The
Health Care System of Tomorrow**

**Business Concept and Plan
November, 2009**



Collaboration for the Advancement of Chiropractic (CAC)

Collaboration and Innovation Model for the Chiropractic Profession

Facilitated Network Business Model Innovation; November, 2009

From Outside-In to Inside-Out

Business Concept

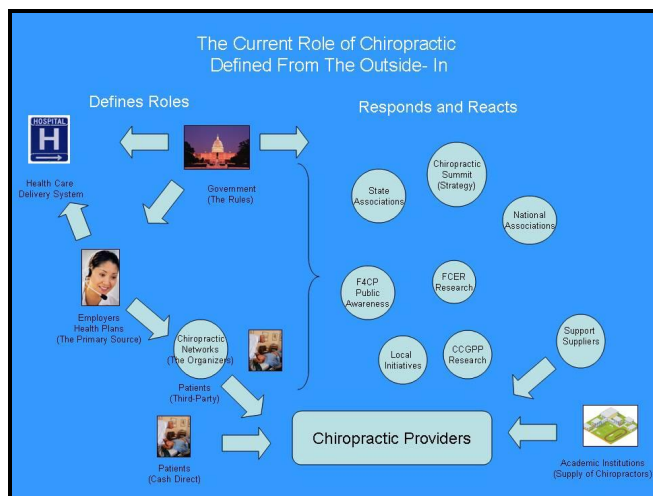
The health care system has finally reached the tipping point. The nation is struggling to define the right processes and structure to stabilize an industry that is economically unsustainable to maintain. While the structure of the industry is still being defined the landscape of care and service delivery is already beginning to dramatically change in anticipation of future changes ahead. While frightening and challenging to some extent, the convergence of events is also producing significant opportunities for those positioned to take advantage of them. Those that don't recognize the changes or elect to remain operating as they are today will likely be left behind.

A significant opportunity for growth and expansion in chiropractic exists in the marketplace that is unfolding. The profession is exceptionally well positioned (through licensing, educational infrastructure, expertise, and capacity) to take on an expanded role in the health care system in a number of different ways.

However, the business models that exist today within the chiropractic profession itself will likely need to change.

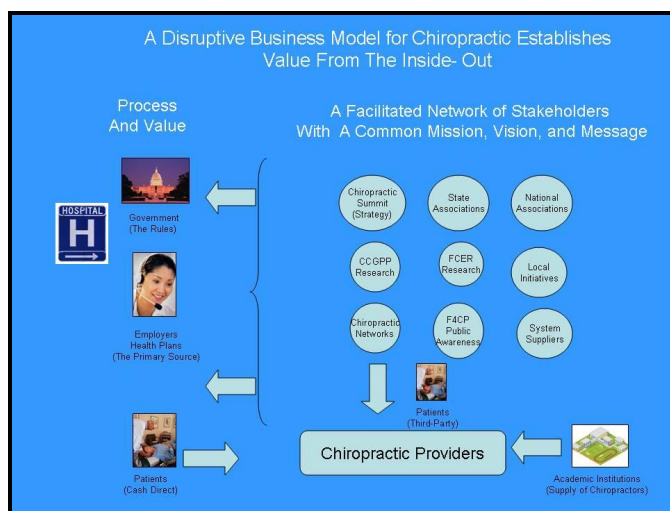
Historically, chiropractors have operated primarily as independent entities somewhat guarded from the realities of a managed care marketplace and legislative limitations (cost-focused; limited scope) by their associations and other supporting organizations. While these organizations have accomplished a great deal to protect the interests of chiropractic and the chiropractor, reacting to issues continue to increase, relationships with the various managed care stakeholders remain tenuous, and the true value of chiropractic continues to be diluted. The outside market (health plans, chiropractic networks, legislation) have defined chiropractic's role of participation in the health care model of today.

CAC



Outside In: Others define your place and participation; limiting opportunities, patients, and value

The Collaboration for the Advancement of Chiropractic (CAC) believes this model can change. By organizing a cohesive group of chiropractic stakeholders from all segments (associations, public relations, business support, chiropractic networks, research) combined with strong individual support from the chiropractic providers, the CAC concept is designed to change the focus from an “outside in” definition of chiropractic’s role in health care delivery, to an “inside out” approach that allows chiropractic the ability to define its own role, extend collaborative opportunities, and establish a broader value proposition to the health care system as a whole.



Inside Out: Defined from within, common message, expanded relationships, expanded opportunities



The mission of the Collaboration for the Advancement of Chiropractic (CAC) is *to improve the collaboration, integration, and new business innovation throughout the chiropractic profession and support chiropractic in achieving its appropriate role in the health care system of the future.*

We will accomplish this by creating a disruptive business model that changes the focus of the profession's interaction with the health care system from one of reaction and response (outside-in), to one of proactive innovation and collaboration based upon a unified membership base and common strategy and vision (inside-out).

The success of this model will be dependent upon:

- 1. A unified vision and mission defining chiropractic's role within the existing health care delivery structure and reflective of the realities of the market.**
- 2. Strong participation of all chiropractors in their state, national, or local associations committed to the unified vision and mission**
- 3. Cohesive unity of participating entities sharing a common vision and mission including associations, practice support businesses, academic institutions, chiropractic managed-care networks, research organizations, health plans etc. Adhering to the common vision and mission will provide a coordinated and consistent "value proposition" message to all health care stakeholders**
- 4. Exceptional communication, execution, relationship structures, and a willingness to explore new avenues for access to chiropractic services from a broader set of the population i.e. integrative clinics, hospitals, and stronger referral relationships.**

Our Goals Are Simple:

- 1. To strengthen professional association participation (national, state, local) to solidify a common message to all stakeholders throughout the health care industry**
- 2. To strengthen chiropractic's (individual and organizational) understanding of the real changes taking place in the delivery of health care so innovative strategies to capitalize on these changes can be developed or evaluated**
- 3. To complement the existing broad-based collaboration of chiropractic stakeholder segments (Chiropractic Summit), linked by a common vision and strategy and supported by exceptional execution to interact with the broader health care market**
- 4. Ultimately, to allow the chiropractic's role in the new health care system to be defined by the profession, as opposed to being defined by others unfamiliar with chiropractic's benefits, capabilities, or value**



Strengthening the Foundation

In late 2008, CAC conducted an informal survey of health care stakeholders (employers, associations, individual chiropractors, health plans, and consumers) to assess the strengths of the chiropractic profession as well as the gaps that may exist in anticipation of the changes that will be occurring in health care delivery. (Keep in mind, this survey was completed before the health care reform discussions began in earnest- we can assume Health Care Reform would be one of the top items if we repeated it today)

This informal exercise indicated gaps may exist in key areas that will be impacting and influencing the health care system. The respondents recognized that “value” (however defined), better coordination of care, electronic medical records, and health coaching will all be important parts of the new health care model, but indicated some concern in chiropractic’s current readiness to address them.

Top Health Care Issues From a Chiropractic Perspective CAC’s Informal Survey, Fall/Winter 2008			
	<u>Importance</u>	<u>Readiness</u>	<u>Gap</u>
Value Based Purchasing	218	95	123
Pay-for-Performance	208	90	118
Medical Records/Technology	207	102	105
Medical Home	175	80	95
Health Coaching	224	129	95
Integrated Benefit Structure	195	101	94
Quality Designation Networks	174	80	94

(Maximum = 235)

In addition to creating an “inside-out” strategy to assist in defining chiropractic’s role in health care, the CAC model is also designed to assist in addressing “issue gaps” by establishing a collaborative, information-sharing structure for members and providing guidance for establishing “best-practice business ideas” (BPBI) to assist national, state, and local organizations as well as individual chiropractors to be aware of and address the changes occurring in the marketplace. A primary goal of the CAC concept is to strengthen professional association membership and participation by providing strategy support and additional value and insight to address some of the key issues that are facing chiropractors today and will be facing in the future. A strong, unified, and coordinated membership base is a key component to the success of the CAC approach.

The primary areas of focus (Focus Areas) identified by CAC include:

1. **Communications and Relationships-** Supporting the profession in establishing the appropriate relationships with all health care stakeholders (consumers, broader medical market, employers, health plans and networks, and government) and establishing the appropriate value proposition relevant to the audience.

2. **Industry Knowledge (Including Health Care Reform)-** Facilitating an understanding of the realities unfolding in health care in all stakeholder segments and establishing the appropriate strategies to succeed in a new and changing market landscape both for individual chiropractors and chiropractic organizations
3. **Education/Leadership-** Providing the support required in the academic segment to assure the flow of chiropractors entering the market are keenly aware of the market realities, the delivery models available, and are armed with the business strategies that may be required for success. Facilitating ongoing leadership education to establish the pipeline of leaders in the chiropractic profession that will be required to develop and execute the strategies and initiatives to meet the challenges and capitalize on the opportunities ahead.
4. **Research-** Supporting the communication of research initiatives throughout the various stakeholder segments through various relationship channels, venues, and approaches
5. **New Product Innovation-** Exploring new chiropractic delivery opportunities that will be required to participate more effectively in a new health care paradigm
6. **Technology Support-** Assisting the profession to obtain and administer the technologies that will be required to participate in a more “paperless” health care infrastructure.

**Priority 1: Strengthening Participation in Organizations Representing the Chiropractic Profession-
Improving The Value**

As mentioned, a fundamental requirement for changing to an inside-out approach (and a key component of CAC’s benefit) is to leverage a strong and unified membership base of practitioners as advocates and supporters of the profession. Especially in a profession that is highly individual, a strong, unified message that is representative of the entire population is critical to developing the leverage that is required to interact effectively in the health care system we have today.

State and national associations, academic institutions, and related entities must have strong membership and participation to reflect the solidarity of the chiropractic message to those outside the profession. Membership and participation statistics are a relatively good indicator of the relative “value” chiropractors place on these organizations.

CAC

As part of the inside-out strategy, CAC will place its initial emphasis on assisting chiropractic organizations (and CAC members) in building a strong membership base where necessary. Whether on a national, regional, state, or local basis, CAC will assist organizations (that don't already have one in place) develop and execute strategies designed to improve the value-proposition of the organization and specifically designed to increase membership and participation. CAC will provide:

1. Review of Existing Strategies
2. Review of Current Market Characteristics (Existing Research)
3. Provider Survey Support/Analytics (Survey Capabilities)
4. Determination of Current and Potential Value of the Organization (Brand Strength)
5. Recommendations
6. Project Execution Support If Needed (Project Management)

This service will be available at a discounted rate for CAC members

CAC will also initially develop two seminars specifically designed for the chiropractic practitioner and/or chiropractic organizations. These topics were identified as potential "gaps" in familiarity of the information that will be required to operate successfully in the new health care environment:

1. Realities of the Health Care Market (Reform, Health Plans, Employers, Providers, and Consumers)
2. Leadership In The New Health Care Paradigm

These programs can be offered as part of the strategy to improve the value of organizational participation (if needed) but, more importantly, to establish a broad-based context of knowledge from which future strategic decisions can be made. These programs will be available at minimal cost to CAC members.

Item 2: Closing the Issue Gaps- Creating Best Practice Business Ideas (BPBI) For the Chiropractic Profession

CAC will use a combination of technology (internet; web conferences, discussion groups, collaboration software) and personal interaction (phone and in-person conferences) to gather and share ideas of CAC members, to expand information-sharing, and to assist chiropractic to continue to grow and expand in the new environment. CAC will direct its efforts toward a portfolio of Focus Areas impacting the chiropractic profession today. The CAC model is designed to gather information from the throughout the profession and broader market, evaluate the potential impact on the profession and, and establish "best practices business ideas" (BPBI) to provide direction and guidance for others in addressing the new and existing challenges of the health care system. These may include sharing ideas and strategies in any number of areas including: interacting with health plans, messaging strategies, leadership initiatives, new technologies, clinical innovations, etc.



A Brief Summary of Creating and Sharing Best Practice Business Ideas for Chiropractic

Focus Areas- Each Focus Area (discussed previously) has a defined “Focus Statement” that outlines the primary purpose and goals of the topic area. Each Focus Area also establishes 6 and 12 month goals and objectives of what it wants to achieve. Focus Statements and the goals are established to address the gaps that have been identified in our research that will need to be closed to strengthen chiropractic’s position in the marketplace. Focus Statements are reviewed regularly and updated and shared with the broader membership. Each Focus Area has a designated Team Leader and includes Team Members of selected individuals (usually 4 members) to execute the goals collectively established by CAC’s membership.

Focus Teams will explore practices in their area of focus of chiropractic organizations (or individuals) that are already successful in a particular topic area (as well as those who have met challenges) to establish a “best practice idea” that is shared with the broader CAC membership. CAC will also be a new resource for the profession to share new ideas and thoughts with a broader collection of chiropractic and health care professionals on a single communication platform.

The Process

The goal of the CAC process is to provide a method to augment ongoing collaboration, information sharing, and discussion for establishing Best Practice Business Ideas (BPBI) or Specific Initiatives (SI) to benefit the advancement of the chiropractic profession. CAC will not duplicate any successful programs that are underway, but may provide a mechanism to expand their application to a broader base of the chiropractic profession. The process will require continual oversight and management, commitment of its participants, and the use appropriate project management principles, to assure a continual flow of collaboration, ideas, and information-sharing is maintained at all times.

The following provides a summary of the CAC Collaboration Process:

Phase 1: Exploration: Based on the direction established by the Focus Team, team members gather information from throughout the profession pertinent to their focus strategies.

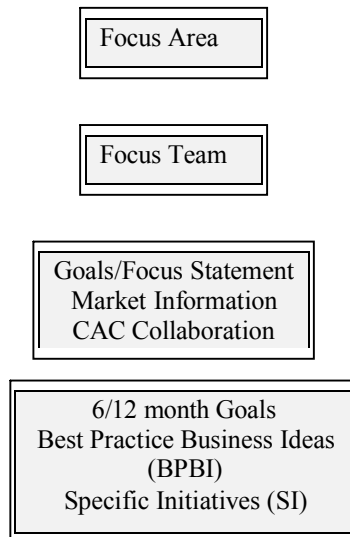
Phase 2: Discussion and Application: Team member information is organized, discussed, and reviewed for trends, ideas, and application.

Phase 3: Collaboration: BPBI or SI is developed, prioritized, and presented to the Focus Team Leadership for further development and prioritization.

Phase 4: Sharing: BPBI or SI is shared with the broader CAC membership



The Focus Area Model



More on Focus Areas: CAC has identified its 6 initial Focus Areas based upon its assessment of the chiropractic market, the opportunities that exist, and the gaps that may present obstacles to growth for the profession in the future. CAC members will also have the opportunity to nominate new Focus Areas based upon the changes that will take place in the marketplace and overall membership feedback. Topics may include: Health Care Reform (currently included in Industry Knowledge; Consumer Communication (currently included in Communications and Relationships) or other topics that may require more specific focus and attention.

More on Focus Teams: Focus Teams consist of a Team Lead who is responsible for coordinating the activities and communication of the Focus Area and is the primary point of contact for the topic area. The Team Lead also represents the Focus Team when collaborating with Focus Area participants. Focus Team members consist of individuals who are interested in collaborative approaches to strategic solutions, intrigued with the topic area, and will support gathering information from across the chiropractic landscape and collaborating with the team to establish the Best Practice Business Ideas (BPBI) or a Direct Initiative created as a result of the efforts. Teams will generally consist of 5 individuals (including the Team Lead) and will serve on a specific Focus Area Team for 12 months. Team members can then rotate to other topic areas of interest to serve in the same capacity- (or a Team Lead) - or revert back to Membership Collaboration.

Focus Area Leadership Collaboration: Each quarter, the CAC Team Leads of all Focus Areas meet to discuss the status of their specific areas, present Best Practice Business Ideas for consideration, and discuss specific initiatives that may benefit the profession. The Team Leads collaborate together to prioritize the efforts and determine the best ways to organize the execution of important initiatives identified or to develop strategies to partner with other organizations to fulfill the needs of the profession.



CAC Membership- Who Is Part of CAC?

CAC members consist of organizations and individuals with a common mission and vision and passionate about creating a collaborative environment to advance the chiropractic profession in a new health care landscape including:

Strong State, National, and Local Associations
Chiropractic Networks
Research Organizations
Public Relations/Communications
Chiropractic Business Support Organizations

} Defining Chiropractic's Role
From the Inside-Out

Members will have access to CAC's data-base of resources gathered as a result of the Focus Team efforts, access to the Best Practice Business Ideas (BPBI) created for the Focus Areas, discounted or low-cost arrangements to utilize the specific initiatives developed by CAC to strengthen the membership base of associations and supporting organizations, and project execution support for initiatives interacting with the broader health care system. Ultimately, the CAC structure can be used as a platform to communicate a single value proposition of multiple stakeholders to the rest of the health care delivery market.

CAC has spent considerable time and effort creating a collaborative model that can be used to advance the chiropractic profession in a new health care paradigm. We have identified a number of initiatives that can be of benefit to individual chiropractors and supporting organizations to strengthen the overall membership base, address "gap issues", and begin establishing a model to interact with health care in a different way than before.

Some Initial CAC Initiatives:

- Gather, post, and distribute current chiropractic research to a broader set of stakeholders with messages tailored to the interests of individual segments (Research Focus Team)
- Develop curriculum for chiropractic educational institutions for students on the realities of the changing health care marketplace; market dynamics, characteristics, delivery options, new developments (Health Care Trends/Education Focus Teams)
- Establish a mentoring and "leadership program" unique to the chiropractic profession to maintain strong and innovative leadership in the organizations responsible for leading the profession (Education Focus Team)
- Establish a repository of "best-practice models of chiropractic delivery" and introduce new ideas and concepts to the broader profession (Product Innovation Focus Team)
- Develop the "value proposition" of chiropractic for the multiple stakeholders/audiences (health plans, clinical audiences) for use in communicating effectively with the broader marketplace (Communication and Relationships Focus Team)



CAC Leadership

CAC's founding leadership consists of experienced professionals from all chiropractic stakeholder segments with a keen interest in advancing the profession and positioning it to take advantage of the opportunities unfolding in the new health care marketplace:

Mark D. Dehen, DC; Private Practice; Chair, CCGPP: Dr Dehen is a second generation Doctor of Chiropractic, practicing in North Mankato, MN. He has been in private practice for 21 years. Dr. Dehen also assists local industries with ergonomic consulting and injury prevention. Mark has been involved in his community, serving in leadership roles for a number of organizations. Dr. Dehen is a past president of the MN Chiropractic Association and recipient of the MN Award of Excellence & Chiropractor of the Year awards. Currently, he serves as Chair of the Council on Chiropractic Guidelines and Practice Parameters (CCGPP).

R.T. Donahue, DC, President, Collaboration Health Care, Inc. - Dr. Donahue is President of Collaboration Health Care, Inc., a business innovation service focused on enhancing integrative health care and wellness care as key contributors to the health care delivery system. Dr. Donahue practiced chiropractic for over 20 years and served as President of the Minnesota Chiropractic Association and as a Minnesota Delegate to the American Chiropractic Association for twelve years. He was recognized as a Fellow by the International College of Chiropractors and as Minnesota Chiropractor of the Year.

Dr. Donahue served as Chief Clinical Officer for one of the first chiropractic PPOs in the country and later as Vice President for Clinical Affairs for the physical medicine business unit within United HealthGroup.

Daniel D. Garrett, Executive Director, Iowa Chiropractic Society (ICS) and Advantage Chiropractic Network- Serving as executive director of the Iowa Chiropractic Society (ICS) and Advantage Chiropractic Network since 2008, Daniel D. Garrett leads the chiropractic physicians' society in Iowa which boasts more than 800 members. While at ICS, Garrett has led efforts to complete a new three year strategic plan and enhanced ICS's operations to maintain and strengthen its financial position. In addition, he has built strong alliances with both elected and public health officials in Iowa to ensure adequate access to care for patients and fair reimbursements for chiropractors. In addition to ICS, Garrett serves as CEO of Advantage

Chiropractic Network, a not-for-profit independent practice association (IPA) of more than 500 chiropractic physicians

Prior to his appointment at ICS, Mr. Garrett served as senior vice president for eight years at Prevent Blindness America (PBA) (the nation's second oldest volunteer health organization) in Chicago, Illinois.

Prior to PBA, he worked for more than five years at the American Red Cross, in both Chicago and Washington, D.C., where he worked directly under Elizabeth Dole managing communications and marketing activities. He also served as director of marketing for the Greater Chicago Chapter of the Red Cross.



Jeremy Oswald, President and CEO, ChiroMetrics – Jeremy Oswald is President and CEO of ChiroMetrics, an organization specializing in the delivery of chiropractic benefits for self-insured organizations. In addition to ChiroMetrics, Mr. Oswald operates Oswald Associates, Inc., a healthcare consulting firm, where he works with providers, employers, hospitals and managed care companies to provide business strategy and development services.

Charles Sawyer, DC; Senior Vice President, Northwestern Health Sciences University

Ann Paul, Principal, Solaris Management, LLC; Ann Paul has over 25 years in management and administration in the healthcare industry spanning from provider to payor. Her experience with Fortune 100 health insurers has provided knowledge about market environments, best practices for managed care contract negotiation and analysis, managing relationships among providers, payors, employers, and brokers, as well as general business administration such as organizational management, strategic planning, and staff development. Ann has been active over the years with various government and healthcare organizations and is past president of the Oklahoma Chapter of Healthcare Financial Management Association (2002-2003) as well as member of the HFMA National Advisory Council (2005-2007). A former educator, Ann is a presenter and facilitator for a variety of organizations and venues. In 2007 Ann started her own business, Solaris Management LLC, where she has even greater opportunity to do what she loves – sharing her business knowledge and experience to help others excel in challenging environments!

Jeff Smith; Executive Director; Chiropractic Associates of South Dakota (CASD), Minnesota (CAMN), and North Dakota (CAND)- As the Executive Director of CASD, CAMN, and CAND Mr. Smith represents the chiropractic network participants in fee schedule and scope of practice negotiations to bring chiropractic benefits to the marketplace. Prior to this, he was Clinic Administrator for Carr Chiropractic Clinics, which operates five chiropractic clinics in central South Dakota.

Michael Zdychnec, CEO, Collaboration Health Care, Inc.; Michael Zdychnec is CEO and Co-Founder of Collaboration Health Care, Inc., a business innovation service focused on enhancing integrative health and wellness care as key contributors to the health care delivery system. Mr. Zdychnec has over 30 years experience within the health care industry working with employers, providers, health plans, specialty companies and consumers. He has worked with many organizations across the country including Blue Cross and Blue Shield, Medica Health Plans, Health Risk Management, Health Fitness Corporation, and United HealthGroup. Mr. Zdychnec has led small projects and large projects in a variety of areas including business strategy development, business plan development, organizational restructuring, new product launches, marketing research, sales development, marketing communications, and operations management.



Business Structure

CAC will be established as a 501(c)(3) non-profit as a service provided to advance the information-sharing and innovation potential throughout the chiropractic profession. Officers of the organization have been elected by CAC's Leadership Board and bi-laws and structure are currently being developed.

CAC will be funded primarily from membership or participation fees (final structure being developed) and from sponsorships or ownership from organizations interested in supporting CAC's cause to benefit the chiropractic profession. CAC's initial start-up costs will come primarily from Sponsoring Organizations.

Initially, CAC operations oversight will be outsourced to professionals intimately familiar with the goals of CAC and approved by CAC's Leadership Board. Once fully developed, CAC will hire its own operational staff.

Technology:

The primary method of regular communication and collaboration for CAC will be through its internet technology. The CAC web site will be used as the repository for BPBI collaboration, research consolidation supporting the value of chiropractic to the marketplace, activities, updates, and other relevant information. The site will be the coordinating point for chats, webcasts, discussion forums, and other activities pertaining to CAC's Focus Areas and topics.



Where We're Going:

CAC intends to provide its members with the depth of experience that is required to navigate and connect with the complex structures inherent in health care today and provide a collaborative resource to share information and ideas to expand chiropractic's influence in the new health care market. The old ways of trying to influence change will not work in the new world. We intend to help change chiropractic's participation from an "outside-in" reactionary model, to an "inside-out" approach that will increase association participation and membership, maintain a unified strategy and approach, and ultimately expand the access to chiropractic patients.

CAC is seeking to expand its membership to organizations who are passionate about using innovation, collaboration, and relationships to expand chiropractic in today's delivery system. We are looking for individuals interested in assuming Focus Team responsibilities, members of focus teams, and individuals (or organizations) interested in sponsoring the initiative or in becoming members to share ideas.