



**Position Statement**  
**on**  
**All-Products Clause**

**(Approved by the Board of Directors March 2, 2001)**

An “all-products clause” is a clause in a health plan physician contract that requires, as a condition of participating in *any* of the health plan products, that the physician participate in *all* the health plan products, *present or future*. All-products clauses appear in large, dominant health plan contracts that are presented to physicians on a “take it, or leave it” basis. These clauses have been extended by the health plan to the contracting physician as a non-negotiable clause within the contract. Generally speaking, physicians who have attempted to negotiate alternatives to the all-products clause have not been permitted to “opt-out” of the provision.

In addition to putting the physician in the position of assuming an unknown and unpredictable business risk, these all-products clauses can disrupt and/or sever existing physician-patient relationships. All-products clauses are objectionable because they are 1) non-negotiable, 2) they impose upon the physician involvement in risk-based contracts that may not be acceptable to the practice, particularly if the practice is small and unable to absorb an indeterminate number of patients, and 3) because these clauses essentially coerce physicians to participate in health plan products with which they have legitimate concerns.

For these reasons, the American Academy of Dermatology (AAD) opposes all-products clauses in health plan contracts. The AAD will work with the American Medical Association and other medical associations to address the difficulties and concerns dermatologists have with insurance company all-products clauses; and through its Washington Office will support legislation that opposes the use of all-products clauses in physician contracts with health plans.