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## **Chiropractic Again Shown to Be More Cost-Effective**

### **New Study Compares Chiropractic to Medical Care in "Real-World" Setting**

By Editorial Staff

One of the reasons many companies are hesitant to include coverage for services such as chiropractic is the claim that inadequate scientific data verify the effectiveness of these forms of care. A new study published in the *Archives of Internal Medicine*,<sup>1</sup> combined with the results of a survey conducted by the Kaiser Family Foundation,<sup>2</sup> may finally put an end to the question of how chiropractic affects the cost of health care, and whether it is more effective than traditional medical procedures for the treatment of back pain.

"Prior to this, no study had ever linked chiropractic benefits to lower utilization levels in a real-world employee setting," commented Douglas Metz, DC, a co-investigator on the *Archives* paper. "Our study shows that systematic access to managed chiropractic care may prove to be not only clinically beneficial, but can reduce key cost factors that drive up employer health costs in traditional care settings."<sup>3</sup>

The *Archives* study was sponsored by American Specialty Health Plans (ASHP) - an organization that offers coverage for alternative health care providers such as chiropractors, acupuncturists and massage therapists, which is added to traditional insurance policies - and was conducted by Health Benchmarks, an independent health services research organization. Health Benchmarks reviewed four years of claims data on back pain from two groups: one group of 700,000 health plan members with chiropractic care coverage, and a second group of 1 million members who were in the same health plan as the first group, but who had no chiropractic coverage. Aside from chiropractic care, patients in both groups had access to the same physician network; the same rules on referral to specialty care, diagnostic tests, and hospital and surgery approval; and the same exclusions and limitations.

The analysis found wide discrepancies in health care costs for patients with and without chiropractic coverage:

- The overall per-member, per-year health care cost of members with chiropractic coverage was \$1,463 - \$208 less than the cost of members without chiropractic coverage. This amounted to a 12 percent reduction in annual costs incurred by the health plan for members with chiropractic coverage.
- The per-member, per-year health care cost of chiropractic patients with neuromusculoskeletal conditions was 13 percent lower compared to the same group of patients without coverage of chiropractic care. Similar reductions were seen in annual per-capita hospital costs and ambulatory services.
- The greatest differences were seen when the authors reviewed cases of treatment related specifically to back pain. The average cost per back pain episode for patients with chiropractic coverage was 28 percent lower than for back pain patients without chiropractic coverage.
- Back pain patients with coverage of chiropractic had a 41 percent reduction in hospitalizations for back pain, a 37 percent reduction in MRI scans, a 23 percent reduction in the use of X-rays, and a 32 percent reduction in the incidence of back surgery, compared to back pain patients who did not have chiropractic insurance coverage.

<b>Percentage of covered workers in conventional, HMO, PPO and point-of-service plans with chiropractic benefits by firm and size, 1999-2004.*</b>												
<b>Firm/plan</b>	<b>1999</b>			<b>2000</b>			<b>2002</b>			<b>2004</b>		
	<b>Small Firms</b>	<b>Large Firms</b>	<b>All Firms</b>	<b>Small Firms</b>	<b>Large Firms</b>	<b>All Firms</b>	<b>Small Firms</b>	<b>Large Firms</b>	<b>All Firms</b>	<b>Small Firms</b>	<b>Large Firms</b>	<b>All Firms</b>
Conventional plans	80%	89%	86%	80%	76%	77%	83%	78%	79%	88%	91%	90%
HMO plans	43%	73%	68%	57%	79%	74%	58%	75%	72%	65%	83%	78%
PPO plans	71%	92%	86%	79%	91%	88%	75%	89%	85%	87%	95%	92%
Point-of-service plans	61%	87%	79%	71%	86%	81%	59%	86%	76%	68%	90%	82%

\* The 2001 and 2003 Kaiser Family Foundation surveys did not examine chiropractic as a benefit.

"In our study population of 0.7 million members who had chiropractic coverage in the medical plan, we estimated an annual reduction of approximately \$16 million as a result of lower utilization of higher costs," the investigators observed. They added that the cost-savings "appear to more than offset the amount spent to cover the associated costs of the chiropractic benefit."<sup>1</sup>

"Focusing on low back pain diagnoses that were selected specifically for comparability between medical and chiropractic practice, our analysis found that patients with chiropractic coverage had significantly lower rates of use of resource-intensive technologies, such as X-ray examinations, MR image, and surgery, and lower use of more expensive patient care settings, such as inpatient care," they continued. "This is reflected in the significantly lower cost, at both the episode level and the patient level, of providing care for back pain." <sup>1</sup>

### **Making Strides in the Insurance Setting: Latest Survey Highlights Growth in Employer Coverage of Chiropractic**

Recent studies suggest that the percentage of companies offering health insurance for employees has decreased over the past few years. The latest estimates show that only about 60 percent of adult workers in the U.S. receive health benefits through their employer. There are a variety of reasons for this decline, including drastic increases in insurance premiums, which have risen as much as 59 percent since 2000.

During the same time frame, as complementary and alternative medicine (CAM) has moved closer toward the mainstream of health care, employers have begun to recognize the benefits some forms of CAM have to offer, and have started to integrate these therapies into their existing insurance plans. The latest example of this trend is featured in a survey released by the Kaiser Family Foundation and Health Research and Educational Trust. The survey, published in September 2004, revealed that employer coverage for chiropractic care increased 8 percent from 2002 to 2004, making chiropractic the most-covered CAM therapy for American workers with health benefits.

The survey included 3,017 randomly selected public and private firms (with three or more employees) that responded to a telephone survey containing up to 400 questions. The survey included questions on insurance costs, coverage, eligibility, health plan choice, covered benefits, and other factors. In addition, all firms were asked whether they offered or contributed to a health insurance program as a benefit to employees.

Among the survey's findings:

- 87 percent of all employers surveyed offered chiropractic as a covered health benefit, up from 79 percent in 2002.
- A higher percentage of preferred provider option plans (PPOs) included coverage for chiropractic services compared to the other plans. Ninety-two percent of the PPO plans covered chiropractic; 90

percent of conventional plans offered coverage; 82 percent of point-of-service plans included a chiropractic benefit; and 78 percent of HMO plans provided coverage. These figures all increased between 3 percent and 10 percent compared to 1999, when the Kaiser Family Foundation conducted a similar employer survey.

- Large firms were more likely to include chiropractic as a covered benefit, regardless of the type of insurance plan offered. Ninety-one percent of all large firms surveyed (those with 200 or more employees) offered coverage for chiropractic, compared to 79 percent of small firms (those with between 3 and 199 employees).
- In many instances, depending on the type of insurance plan, a higher percentage of companies offered coverage for chiropractic than for more established or "traditional" benefits. For instance, in 2004, 91 percent of all large firms using conventional plans covered chiropractic care. In comparison, only 70 percent of the firms offered coverage for oral contraceptives; 84 percent covered an annual visit to an obstetrician or gynecologist; and just 61 percent offered coverage for adult physicals.

Chiropractic wasn't the only form of CAM to show an increase in insurance coverage over the past few years. Acupuncture, once considered "unproven" and "primitive" by many in the medical profession, also made significant gains, as noted in the Kaiser survey. In 2004, 47 percent of all firms provided coverage for acupuncture, up from 33 percent in 2002 and less than 30 percent in 2000. A similar survey published by Mercer Human Resource Consulting found that in 2003, 13 percent of large employers covered massage therapy in their largest medical plans; 7 percent covered homeopathy; and 7 percent covered biofeedback.

"There are some employers out there who are saying, 'No new benefits of any type,' said George DeVries, chief executive officer of ASHP. "But there are many employers who are saying, 'Adding a low-cost (benefit) actually helps us in a time when we're increasing deductibles and co-pays and co-insurance." <sup>4</sup>

As the Kaiser survey and the *Archives of Internal Medicine* study show, insurance providers and employers are beginning to realize what the chiropractic profession has known for decades. The *Archives* study provides one of the first real comparisons between patients who have insurance coverage for chiropractic and those who don't, and reveals what kind of effect chiropractic coverage (or the lack thereof) can have on costs of care and patient well-being. The Kaiser survey, meanwhile, shows that some insurance companies are moving forward and giving patients what they want: health care coverage that provides chiropractic and other viable alternatives to more "traditional" - and costly - forms of medicine. In a sense, the *Archives* study supports the findings of the Kaiser report, confirming the decision by many firms to offer chiropractic

as a covered benefit in their insurance plans.

### *References*

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