

Medicare Spending on Chiropractic Services Shows Modest but Steady Growth

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Keeping records on spending programs as vast as Medicare is by no means an easy task. It is understandable that even now this giant federal health care program may not be totally certain how much it spent on this or that service in recent months. However, it has taken until just recently for Medicare to compute a final figure for spending on chiropractic for 1990. The Health Care Financing Administration (HCFA) now reports that 1990 spending on chiropractic services under Medicare was \$180,779,613: a 14 percent increase over 1989)

The nearly \$200 million figure seems impressive. However, total Medicare spending on all physician services under what is known as Medicare Part B totaled \$46,056,000,000 in 1990, of which chiropractic represented less than one-half of one percent. Of total Medicare spending, physician services (Part B) plus in-patient hospital services (Part A), \$70,211,000,000 for a total of \$116,267,000,000. Chiropractic spending represented less than one-eighth of a percent.

Chiropractic Spending under Medicare

1987 - \$132,023,198
1988 - \$145,806,232
1989 - \$159,266,202
1990 - \$180,779,613

Despite an energetic campaign on the part of Medicare administrators to discourage chiropractic utilization, program beneficiaries are increasingly turning to chiropractic for services they both need and want, government harassment notwithstanding. Chiropractic spending has posted steady growth under Medicare over the past four years, and as the elderly population grows and as more and more beneficiaries recognize the many advantages of the non-drug based, non-surgical alternative chiropractic offers, demand for chiropractic services is likely to pick up dramatically in the years ahead. If the newly implemented relative-value-based fee schedule for chiropractic services is carried through according to current projections, this will also add significantly to Medicare spending in this service category.

The revised Medicare fee schedule published by the HCFA on November 25, 1991, represents a dramatic improvement over the previously proposed schedule that would have cut fees for chiropractic services in each of the next five years. The new schedule, covering over 7,000 Medicare services and all classes of providers, went into effect on January 1, 1992. The revised schedule was developed in response to more than 95,000 comments received by HCFA after the publication of the initial draft schedule in the June 5, 1991 Federal Register. Of these 95,000 comments, several thousand were from doctors of chiropractic. Over 30 chiropractic organizations presented detailed expressions of concern and specific information aimed at changing HCFA's thinking about the proposed fee reductions for chiropractic services.

A preliminary study of the new schedule indicates that fees for chiropractic services will post a net increase in each of the next five years if the program is fully implemented and fully funded for that

period. It is important to remember that these gains for chiropractic have yet to be realized. A major concern is that the chiropractic services billing code (A2000) is on HCFA's list of procedure codes subject to the outpatient limit; fees may be increased but the number of adjustments may be further restricted in the months and years ahead. All doctors of chiropractic need to carefully monitor Medicare reimbursements to ensure that such increases called for in the new fee schedule are immediately and fully implemented and to immediately report any incidence of carrier imposition of new limits or restrictions on the number of patient visits.

Projections for Medicare fees will remain uncertain because of the provisions of the law requiring the development of a new fee structure each year. According to provisions in Public Law 101-239, in which Congress authorized the new fee system for Medicare, "Before January 1 of each year beginning with 1992, the Secretary (of Health and Human Services) shall establish, by regulation, fee schedules that establish payment amounts for all physicians' services furnished in all fee areas ... for the year." Given budget pressures and the history of recent administrations, it is premature to assume that projections for fee increases, which presently show chiropractic payments increasing by 122% over five years, will be realized since the law provides an annual opportunity to amend the Medicare fee schedule in any politically convenient direction.

We hope the Medicare fee schedule revision represents a basic change in HCFA's perception of chiropractic which, until now, has been markedly negative and even hostile. It is important to continue to do everything possible to foster a better understanding of our unique profession on the part of government policymakers.

There can be no question, however, that only congressionally mandated reforms will guarantee an enhanced standing for chiropractic services under Medicare. In this 1992 election year, the Bush Administration is holding out generous fee schedules for services in many categories. What will happen after the election if Bush is victorious, remains to be seen.

The ICA continues to support legislative reform: Senator Tom Daschle's (D-SD) bill S.614; House initiatives (H.R. 213), introduced by Robert Roe (D-NJ); and H.R. 3142 by Jim Moody (D-WI). Passage of these important reform bills is an urgent priority because of the degree to which Medicare serves as a model for other programs. Many of the national health care reform proposals look to Medicare fee schedules and service parameters as the foundation for nationwide programs covering all populations. Doctors of chiropractic, concerned about the future of health care in the United States and the future of the chiropractic profession, need to immediately contact their federal legislators asking for their support of these important reform bills.

Medicare will remain an important battleground for chiropractic in the years ahead, and the ICA is committed to an all-out struggle to win for chiropractic full recognition and inclusion in this vital program.

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