

## Cost-Effective Care: The Evidence Mounts

TELL YOUR LEGISLATORS: CHIROPRACTIC REDUCES HEALTH CARE COSTS,  
AND A GROWING BODY OF EVIDENCE IS PROVING IT

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Only weeks after the release of a [Wellmark pilot study](#) that suggests chiropractic reduces both costs and need for surgery, Milliman USA has released findings from "An Actuarial Analysis of the Impact of Chiropractic Care on the Costs of Medical Care for Patients With Common Spinal Diagnoses," a previously confidential report that adds to the evidence linking use of chiropractic services with significant cost savings.

Milliman USA was retained by Triad Healthcare, Inc. - which administered the chiropractic program for the Wellmark study - to "conduct an actuarial analysis of the cost of medical care for commercially insured (non-Medicare) patients with certain common diagnoses." The analysis was intended to address the following question: 'Does inclusion of chiropractic benefits in a health plan change the total costs of health care for individuals with certain diagnoses, and if so, in what direction and by how much?'"

To answer that question, Milliman analyzed two data sets: one representing approximately 1.9 million member months of claims data (1996-1998) for patients with common spinal diagnoses, and a second featuring 1998 claims data only, representing 665,000 member months. Spinal diagnoses were determined by the [ICD-9 code](#) included in the patient data. The first data set came from the MEDSTAT MarketScan Research Database, representing inpatient and outpatient health care utilization by patients nationwide who are covered by the benefit plans of large employers; the second comprised claims data from 14 managed care plans throughout the U.S. provided by a physician-profiling vendor.

According to the executive summary of the report, "[T]he two analyses indicate that spinal patients who seek chiropractic coverage have materially lower health care costs than those who do not. The difference is consistent in all years and between the two data sets. The difference range from 10% to 23% lower costs for those patients who sought [chiropractic] care."

Specifically, total costs per member, per month for patients who sought chiropractic care in 1996, 1997 and 1998 (the first data set) were \$178.86, \$183.41 and \$197.42, respectively, compared with total costs of \$231.21, \$220.45 and \$242.75 for patients who did not seek chiropractic care. Analysis of the second data set showed a similar trend: In 1998, per-member, per-month costs for patients who sought chiropractic care were \$213.83 vs. \$236.27 for patients not seeking care.

The report then projects these cost savings to a 1 million member population with an assumed incidence of "common spinal diagnoses" of 6 percent and an assumed 50/50 ratio of members seeking chiropractic care vs. those not seeking care, and an assumed per-member, per-month cost savings of \$40, leading to a total monthly savings of \$1.2 million. Doing a little projecting of our own, that's a total annual savings of \$14.4 million when a mere 1 million spinal patients utilize chiropractic care.

