

Where the Money Is

Anthony Rosner, PhD, LLD [Hon.], LLC

As everyone knows, this is a period of a major economic downturn and bailouts to major economic institutions, including our banks. With obsessions as to how safe our funds are, some have even gone so far as to revive interest in such storied bank robbers of the Depression Era as [John Dillinger](#) or Willie Sutton. So, with apologies to Sutton's infamous remark as to why he robbed banks ("[Because that's where the money is](#)"), it may be useful to reconsider the cost-effectiveness-in-health-care-delivery issue from another perspective. This may tell us exactly what Sutton was driving at. In other words, where are the real mother lodes when it comes to locating health care dollar expenditures? And how does this relate to chiropractic care?

Rather than assume a bottom-up approach, which has its usefulness, to be certain, in tabulating costs per service in comparing different health care providers, why not take a top-down approach instead in tracking those expenditures? Consider the following:

Table 1: Relative Economic Burdens of Medical Conditions

Condition	Period	Expenditure(billions)	Source
Spine problems	2005	\$85.9B	Medical Expenditure Panel Survey ¹
Arthritis	2003	\$80.3B	Medical Expenditure Panel Survey ²
Cancer	2007	\$89.0B	National Heart, Lung and Blood Institute ³
Diabetes	2002	\$98.1B	Individual Authors ⁴
Heart disease/stroke	2005	\$257.6B	American Heart Association ⁵

When you see that spine problems rank among the top five conditions in terms of health care costs, you can immediately conclude that spine care is an issue that is hardly penny ante. Rather, it is one of the leading determinants of health care costs in the United States within the past several years and should immediately bring the relative merits of chiropractic care into our discussions.

Table 2: Increasing Expenditures for Spine Problems in the U.S., 1984-2005

Period	Expenditure(billions)	Source
1984	\$12.9B	American Academy of Orthopedic Surgeons ⁶
1997	\$26.3B	Medical Expenditure Panel Survey ⁷
2005	\$85.9B	Medical Expenditure Panel Survey ¹

What is evident is an apparent burst of expenditures for treating spine problems just within the past decade. But where are these funds going? In continuing with the bank robbery motif, let us consider a lineup of "the usual suspects" as provided by Martin and Deyo's [comprehensive and](#)

informative article which appeared last year in *JAMA*.¹ Here we are presented with a list of major offenders having the most impact upon medical expenditures:

- **prescription medications**, totalling \$7.3B in 1995 (14 percent of total direct expenditures) and \$19.8B in 2007, representing 23 percent of total direct expenditures and a whopping 271 percent increase;¹
- **medical imaging and diagnostic tests**;⁸
- **spinal injections**;⁹
- a **lower threshold** for providing treatment/higher patient expectations;¹
- increasing use of **spinal fusion surgery and instrumentation**;¹⁰ and
- increasing reports of **comorbid conditions**.¹

From this list, it is apparent that chiropractors are not anywhere near the major cost drivers that have the greatest impact upon health care expenditures in the United States. Rather, the finger turns toward several of the alternatives to chiropractic care. The *coup de grace* from a macroeconomic point of view might best be offered by just one example of the workers' compensation studies available - disbursements tracked by the state of Georgia to medical and chiropractic physicians from 2001-2004.¹¹

Table 3: Workers' Compensations Disbursements for Health Care Providers (Georgia)

Claim Group	2001	2002	2003	2004
A. MDs	\$115,590,118	\$98,419,180	\$71,025,150	\$18,786,118
Pharmacy	\$22,426,219	\$16,292,692	\$13,310,026	\$2,228,745
B. PTs	\$24,696,617	\$22,731,637	\$15,669,193	\$4,087,587
C. DCs	\$850,427	\$641,805	\$581,687	\$184,654
C/A (%)	0.7	0.7	0.8	1.0
C/B (%)	3.4	2.8	3.7	4.5

Here, it can be seen that chiropractors received 1 percent or less of the funds paid to MDs and just 2.8 to 4.5 percent of the disbursements paid to PTs. Since low back pain has been proposed to represent 33 percent of all workers' compensation costs and 16 percent of all workers' compensation claims, it is clear that chiropractic care may not represent the significant cost burden as suggested by such entities as the Workers' Compensation Research Institute in its overall conclusions.¹²⁻¹⁴ Indeed, one of the major methodological concerns that compromises the data from the latter study group is that costs of providers other than chiropractors were split into separate categories, whereas all costs relating to chiropractors were bundled into a single entity.^{13,14}

So, in a few bold strokes, there should be a rising suspicion that chiropractic care does not appear to be among the major cost drivers that requires overhaul or micromanaging on the part of several third-party payers. To complete our analogy to bank robberies, let us instead cut to the chase and be courageous enough to capture what truly seem to be the major breaches in cost control of our hemorrhaging health care system. Bring them in and book them. At a time in which the Obama administration and Congress have prioritized health care reform, these arguments require nothing less than our most serious attention.

References

1. Martin BI, Deyo RA, Mirza SK, et al. [Expenditures and health status among adults with back and neck problems](#). *JAMA*, 2008;299(6):656-64.
2. Yelin E, Murphy L, Helmick CG. [Medical care expenditures and earnings losses among persons with arthritis and other rheumatic conditions in 2003 and comparisons to 1997](#). *Arthritis Rheum*, 2007;56(5):1397-407.
3. NHLBI Factbook: Direct and indirect costs of illness by major diagnosis, U.S., 2006. www.nhlbi.nih.gov/about/factbook/toc.htm.
4. American Diabetes Association. [Economic costs of diabetes in the US in 2002](#). *Diabetes Care*, 2003;26(3):917-32.
5. American Heart Association. [Heart Disease and Stroke Statistics-2005 Update](#).
6. Grazier KL, Holbrook TL, Kelsey JL, Stauffer RN. *The Frequency of Occurrence, Impact, and Cost of Selected Musculoskeletal Conditions in the United States*. Chicago: American Academy of Orthopedic Surgeons, 1984, pp. 72-80
7. Luo X, Pietrobon R, Hey L. [Estimates and patterns of direct health care expenditures among individuals with back pain in the United States](#). *Spine*, 2004;29(1):79-86.
8. Weiner DK, Kim YS, Bonino P, Wang T. [Low back pain in older adults: Are we utilizing health care resources wisely?](#) *Pain Med*, 2006;7(2):143-50.
9. Friedly J, Chan L, Deyo RA. [Increases in lumbosacral injection in the Medicare population, 1994 to 2001](#). *Spine*, 2007;32(16):1754-60.
10. Deyo RA, Mirza SK. [Trends and variations in the use of spine surgery](#). *Clin Orthoped Related Res*, 2006;443:139-46.
11. Georgia State Board of Workers' Compensation. <http://sbwc.georgia.gov/>.
12. Hooper P. "Cost of Musculoskeletal Injuries on the Job." *Dynamic Chiropractic*, Dec. 2, 1994.
13. Eccleston SM, Zhao X. *The Anatomy of Workers' Compensation Medical Costs and Utilization: Trends and Interstate Comparisons, 1996-2000*. Cambridge, Mass: Workmen's Compensation Research Institute, 2003.
14. Victor RA, Wang W. *Patterns and Cost of Physical Medicine: Comparison of Chiropractic and Physician-Directed Care*. Cambridge, Mass: Workmen's Compensation Research Institute, 2002.

OCTOBER 2009