



# CHIROPRACTIC

## Itemisation and Appropriate Servicing

November 2012

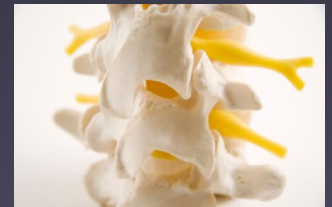
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B App Sc (Chiropractic)

# Why Focus on Chiropractic ?

- Growth 4.7% (2007-11)
- Expected growth (2012-17) 3.4% to \$1.05 Billion
- ↑ demand due to
  - Higher household incomes
  - Improved public & medical awareness
  - Growing acceptance of “alternative therapies”

★ IBISWorld data Sept 2011



# Comparison with Physiotherapy


- Largest manual therapy profession (5:1 vs Chiropractic)
- Yet in CY11;
  - Both provided 9.1 million services
  - Benefit paid Chiro - \$234m vs Physio \$269m

# Chiropractic Utilisation

- 7% Total Ancillary Benefits paid for chiropractic
- Consultation-based - not fee for service & benefits capped
  - 95% of costs relate to 6 item codes (of total 96)
  - 74% of billings are for Item Code C005 - *Subsequent Treatment 5-15 min*
- Limited scope for up-coding items;
  - X-rays – 0.54% benefits paid
  - Long cons – 8% (same benefit paid)

# What is Driving Chiropractic Growth?

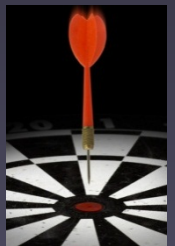
- Increasingly competitive market;
  - Physiotherapy
  - Osteopathy
  - Myotherapy & Massage
  - Bowen Therapy
  - Acupuncture
  - Naturopathy



How do you differentiate from other providers?

# Wellness & Maintenance Care

- Provide ongoing regular treatment to many patients
- Family members attend for Rx at same frequency
- Claim to maintain health and prevent health issues
- Broader focus than musculoskeletal treatment
- Offer inducements to families to attend
- Paediatric focus



# Wellness & Maintenance Care

Limit utilisation = Overservicing

- Are the services clinically necessary?
- Can they be justified?



# How do you determine appropriate treatment?

## - Clinical Necessity

- Provider determined (“know the patient best”)
- In 3<sup>rd</sup> party schemes – via legislation – “Reasonable” and “Appropriate” Treatment
- In court via expert opinion
- Based on best-practice = Evidence-based practice
  - Clinical Practice Guidelines
  - Cochrane Reviews





# EBP Implications for Healthcare

Sets expectations for providers;

- Treatment/interventions will be efficacious
- Cost effective treatment
- Justifiable, reasonable & clinically necessary

➔ It's about doing the right things for the right people at the right time



# Defining Clinical Necessity

## - Real World Application

### *Clinical Framework for the Delivery of Health Services*

WorkSafe/TAC (Victoria)

In summary 5 guiding principles for delivery of services;

1. Measurement and demonstration of the effectiveness of treatment
2. Adoption of a biopsychosocial approach
3. Empowering the injured person to manage their injury
4. Implementing goals focused on optimising function, participation and return to work
5. Base treatment on best available research evidence

# Moving the Goal Posts??

Chief Medical Officer Professor Chris Baggoley's Review

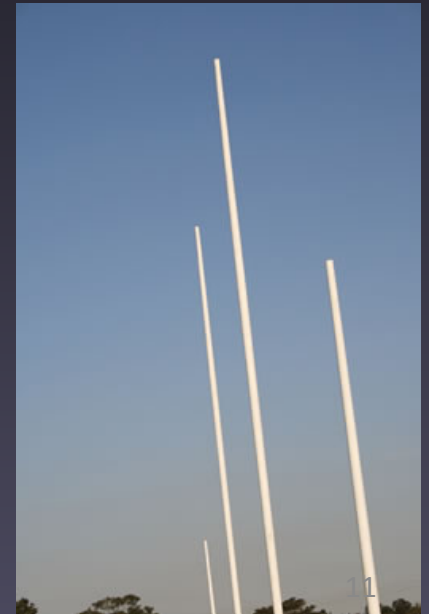
“The Private Health Insurance Rebate will be paid for insurance products that cover natural therapy services only where the Chief Medical Officer finds there is clear evidence they are clinically effective.”

The Hon Tanya Plibersek MP

Minister for Health

Media Release 8<sup>th</sup> May 2012

[http://www.health.gov.au/internet/ministers/publishing.nsf/Content/96CE77F26E3A61B5CA2579F8007D66D5/\\$File/TP042.pdf](http://www.health.gov.au/internet/ministers/publishing.nsf/Content/96CE77F26E3A61B5CA2579F8007D66D5/$File/TP042.pdf)



# Evidence of Effectiveness

## Wellness/Maintenance Therapy

- Does regular chiropractic treatment prevent MSK pain in the future
- Does regular chiropractic treatment improve a person's overall health



## Paediatric care

- Does chiropractic treatment help with childhood illnesses
  - colic, asthma, ADHD, otitis media, enuresis
- Does chiropractic treatment improve children's health



# How is Maintenance Therapy Managed Elsewhere?

## Medicare - USA

“Under the Medicare program, Chiropractic maintenance therapy is not considered to be medically reasonable or necessary, and is therefore not payable.”

Medicare Benefit Policy Manual.  
<http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf>

## Other USA Group & Individual Plans

- Do not provide cover for treatment that is not medically necessary (ie maintenance therapy)

## Australian 3<sup>rd</sup> party schemes

- Role to manage injury to pre-injury status or maximum medical improvement – Maintenance treatment not covered.

# Chiropractic Itemisation

- Consultation-based service - not fee-for-service
- Difficult to determine what condition is being treated and what services are being provided with current itemisation
- Coding to identify diagnosis and treatment (ICD-10-AM & ACHI)
- Bundle payment similar to Diagnosis Related Group (DRG)
- Assists to ensure treatment is clinically necessary

# Potential Future Strategies

- Limit or cease maintenance treatment for wellness care - (US Model)
- Only fund reasonable levels of supportive care in adults (with appropriate clinical necessity/justification)
- Maintenance or supportive care not indicated for children (<15yo)
- Refine and expand ancillary provider networks that align with best-practice (eg. *Clinical Framework* model)
  - Incentivise program to attract good providers
- Remunerate based on pay-for-performance / clinical outcomes
  - “bang-for-bucks”



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