

The Mercer Study



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Traditionally, health care programs have had little to do with ‘health’, consisting for the most part of treatments for symptomatic disease states and economically focused management of any associated impairments and/or disabilities. Furthermore, the paradigms and belief systems of the decision makers in health care programs, have served to function as obstacles to implementing what research and scientific evidence would prove to be clinically and cost effective. This had hindered chiropractic utilization.

Because of similar initiatives underway early in 1998, The Canadian Chiropractic Association (CCA) and the Ontario Chiropractic Association (OCA) jointly engaged

William Mercer Limited to review employer benefit plans and insurer disability claims, with the prime objective of putting together a sound business case for enhanced access and coverage of chiropractic. Despite current trends in talking about wellness and pro-active approaches, few employers or insurers are willing to increase funds provided for health care, especially for non-traditional approaches and preventative care, which they perceive has little research and takes time to yield any savings for dollars spent. The other two main objectives were to obtain data on the utilization of chiropractic in employee benefit plans, with comparisons to other benefits provided, as well as to initiate productive and ongoing relationships with senior levels of large insurers and employers.

The Mercer team contacted ten large national employers, ranging from manufacturing to financial institutions to the public sector and ten insurance companies who had significant disability business, asking them to participate in our study by providing claims data information. Confidentiality and intentions for this study were key concerns for all contacted, from both the labour relations and competitive edge perspective. Assurances were therefore made that only trends and not specifics were of interest and once mechanisms were in place to protect claims data and the source, we had commitment from the four largest national insurers of disability and four large employers. Employers then provided claims data from employee benefits and insurers provided ‘books of business’ which is their health care business, broken down into providers and procedures. Mercer then computed the information received and analyzed it from various perspectives.

With government down loading of public health care to the private sector, which experts agree will continue and expand, cost containment within the ‘silos’ or provider/procedure specific categories, is the focus of employers and insurers. Accordingly the CCA and OCA were looking for evidence that better coverage and utilization of chiropractic services, would provide savings in other areas

such as drug claims, short term and long term disability, ultimately having a positive impact on total health care costs and bottom line expenditures. Because of the inherent deficiencies with the manner in which claims data is gathered and the fact that this was a retrospective analysis without control for variables, the study could not provide causation, but it did profile interesting trends and correlations that support our business case. Furthermore, the fact that this type of research has never been done before in Canada, speaks volumes about the chiropractic commitment to evidenced based care and confidence in our outcomes. It challenges insurers and employers to examine their health care costs in a new way, which should provide them with better information for decisions.

It was surprising to find that short term disability data is very incomplete, despite the fact that this represents about 75% of disability costs, with long term disability being about 25%. Since it is well known that it is the first few weeks and months following an injury, that will most influence healing, rehabilitation, return to work and preventing acute episodes progressing to chronic, it would appear that an early review of claims with respect to treatment outcome and progress, would be warranted. Another interesting finding was that the fastest growing category of 'mental/nervous disorders' includes claims related to headaches which are treated with medication, despite the accumulating evidence that many headaches including migraine, result from cervical joint dysfunction and can be effectively treated with spinal manipulation.

When one considers that musculo-skeletal claims have remained unchanged for years at 25-35% of total costs and that the research and scientific literature supports the chiropractic approach as being clinically and cost effective, the Mercer Study suggests that tremendous opportunities for savings are being missed with under-utilization of chiropractic at 1-3%. Currently most low and middle

cost employee benefit plans offer physiotherapy, but only the expensive plans offer chiropractic. Furthermore, in provinces such as Ontario, many people can only access their employee benefit coverage for chiropractic care, after public funding with a large co-payment fee is exhausted. The Mercer Study provides reasons why these barriers to access and coverage, are inappropriate and counter productive for insurers' and employers' health care costs.

The study compared chiropractic to other para-medical, which should for all intents and purposes be considered physiotherapy, since the only other claims included were a few for acupuncture and homeopathy. Thus the study clearly demonstrates that chiropractic is at least as effective as physiotherapy and in some cases, more effective. This provides a good business argument for access and coverage that is equitable to physiotherapy. In addition to this, the chiropractic doctor is educated and licensed for primary and differential diagnosis, as well as being a specialist in the provision of spinal adjustment or manipulation, making them an important component to the health care options for insurers and employers. Consumers today value employee benefits as much as their wages and are looking for choice and complementary alternative therapies. The Mercer Study gives strong evidence that insurance plans that include chiropractic services will offer good value and a competitive advantage in the market place.

Dr. Ione Puchalski as CCA/OCA Chair Insurance Programs worked closely with the William Mercer team through all stages of the study, including presentation of the study results to the participant insurers and employers and compiling the Executive Summary which follows. She has provided this commentary and invites readers to contact her for more information or a copy of the entire study.

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