



CONTROL WORKERS' COMPENSATION COSTS

While Improving
Employee Productivity
and Engagement Through
Chiropractic Care

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INTRODUCTION

Workers' compensation (WC) costs have been mostly declining for years,¹ but can vary widely in each state² and by occupation, with higher-risk jobs such as construction and agriculture mounting higher costs. Nonetheless, WC costs for employers topped \$100 billion in 2019.

The key to keeping WC insurance premium and benefit costs in check is, of course, fewer worker accidents and injuries. Another way to control these costs is to minimize healthcare spending, which accounted for half (49.6%)³ of the benefits paid in 2019. Reducing the number of days employees spend on WC-related disability can also decrease those costs while improving productivity.

According to a recent nationwide study, however, many employers seem to be overlooking a major opportunity to reduce those costs. Chiropractic care, which focuses on the neuromusculoskeletal injuries and conditions responsible for many WC claims, can help employers reduce those costs. In fact, employers may have saved as much as 47% on workers' healthcare in recent decades if employees were permitted to choose a doctor of chiropractic (DC) to deliver and manage their care, instead of another type of doctor. The report echoes recent pre-publication research published by Optum, a division of UnitedHealth Group, that shows when patients choose a DC first, costs are much lower, and the quality of care is higher.

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BACKGROUND

WC laws were enacted⁴ across much of the country by 1920. Costs, however, steadily rose over the decades as the workforce grew and claims accumulated. By the late 1980s, for example, WC costs for employers were growing at 10% to 15% per year.⁵ Employers lobbied their state legislators and drove a wave of reforms⁶ nationwide to reverse the trend and ease the burden on business owners, many of whom paid their own WC claims.

Amidst these reforms, benefits were starkly reduced in some states and employers were granted more control over which providers their employees sought for their WC-related healthcare. Certain benefits for chiropractic care, for example, although never a major cost driver or responsible for a large portion of claims, were reduced in many states. In some businesses where employers controlled the provider choice, they often selected doctors who prescribed painkillers, performed expensive imaging or recommended surgery as the preferred provider for claims associated with neuromusculoskeletal pain. Conversely, DCs, who do not prescribe drugs, perform surgery or typically recommend expensive imaging, were selected by employers less often after the reforms.

The Workers Compensation Research Institute⁷ (WCRI) reveals in a comprehensive new study of chiropractic and WC claims released in the spring of 2022, that these employers who required patients to seek a drug-prescribing provider first may have unnecessarily spent as much as 47% more on their employees' healthcare. Furthermore, since DCs do not prescribe pharmaceutical drugs, it could have prevented some workers from receiving opioid prescriptions, which is associated with even more risk and costs for employers.⁸

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For its 118-page report, the WCRI studied WC claims for low back pain across 28 states. Low back pain is an ideal condition to study given it has been the leading cause of years lived with a disability⁹ worldwide from 1990 through 2017. Meanwhile, an estimated 70 million days¹⁰ were lost due to injury in 2019 with another 35 million lost days due to injuries in previous years, according to the National Safety Council. Low back injury was one of the top causes of these lost days and WC claims, as well as shoulder injuries, neck injuries and conditions affecting multiple body parts.



Given the high disability levels and costs, and chiropractic care's efficacy¹¹ at managing low back pain, the WCRI measured costs and temporary disability days associated with care from a DC compared to a medical doctor. They also examined the overall utilization of chiropractic care in states as well as DCs' involvement in the overall management of low back pain as measured by the evaluation and management (E&M) common procedural terminology (CPT) codes.

Perhaps unsurprisingly, the WCRI found major variations in both utilization and management of low back pain across states, with chiropractic care ranging between 5% and 34% utilization in 16 of the 28 states in the study. High-utilizers, such as California, Minnesota, New York and Wisconsin, had at least 20% of low back pain claims receiving chiropractic care while states such as Michigan and Nevada only utilized chiropractic for 2.1% and 3.7% of claims, respectively.

SOLUTION

Based on the WCRI's findings and accumulated research over the years, employers should allow – or even require – patients with low back pain and other related neuromusculoskeletal conditions to seek a DC first. An employer WC care guidance or recommendation may be necessary given that one of the most notable associations that the WCRI found was that lower use of chiropractic care typically occurred in states with laws granting employers more control over the selection of providers. Conversely, researchers found chiropractic care was used more in states that granted more choice to employees, where they theorized that patients' perceptions and preferences for chiropractic care likely differed from employers. In these employee-choice states, chiropractic care use matched the supply of DCs.

When patients sought out DCs first to manage their care, the WCRI found significant cost disparities. In most WC systems, chiropractors are permitted to serve as the primary treating doctor and deliver the care services. More specifically, researchers determined that when DCs delivered all the care and Evaluation and Management (E&M), the average medical cost per claim was 47% lower than that for the comparable non-chiropractic-only claims. The chiropractic-only claims also had 35% lower indemnity payments per claim and 26% shorter temporary disability durations.

Even when DCs were primarily involved only in care delivery and co-managing with a medical doctor, costs were still lower. The WCRI found that while the cost of medical claims was relatively equal between chiropractic and non-chiropractic, the patients who received only care from a DC had a lower average indemnity cost per claim and a shorter temporary disability duration, with a differential of 17% for both. Likewise, employees who received care delivery only from DCs had fewer opioid prescriptions, magnetic resonance imaging studies and pain management injections.



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ADHERENCE TO PREVAILING PAIN MANAGEMENT GUIDELINES

The WCRI's findings are also significant considering the prevailing pain management guidelines call for a nonpharmacologic approach to reduce costs and improve patient outcomes. These low back pain guidelines are consistently validated with additional evidence in the form of meta-analyses and clinical trials. For example, a meta-analysis published in 2021 searched literature databases for dates ranging from 2000 to 2016 and concluded¹² there was sufficient evidence to suggest that spinal manipulative therapy delivers similar positive outcomes to other interventions for pain relief and improvement of functional status. DCs deliver nearly 97% of spinal manipulative therapy in the U.S., according to a recent analysis of claims data covering a 12-month experience in a national, commercially insured population.

DCs more often follow concordant pain management guidelines that advise against prescription drugs and expensive imaging as a first-line approach. In a pre-publication study,¹³ a research team led by David Elton, DC, senior vice president of clinical programs at Optum, the UnitedHealth subsidiary, found that chiropractic care lowers healthcare costs for low back pain more than any other healthcare specialty.

Dr. Elton and his team analyzed 616,766 continuously insured individuals aged 18 years and older with 756,631 episodes of low back pain involving 386,795 healthcare providers and incurring \$1 billion in expenditures. In 62% of care episodes, a prescribing doctor was approached first, with these episodes associated with early use of non-guideline concordant services such as imaging, pharmaceutical drugs and pain injections. A non-prescribing provider was initially contacted in 32.5% of episodes with these episodes associated with early use of guideline-recommended first-line services, such as spinal manipulation delivered by a DC, maintaining modified physical activity and using ice and heat to manage symptoms.



The claims analysis also found that while DCs cost only \$165 per care episode, a Doctor of Osteopathy costs \$221, an Orthopedic Surgeon costs \$361, a Pain Management physician costs \$587 and a Physical Medicine and Rehabilitation specialist costs \$681. Chiropractic care was even less expensive than other non-prescribing specialties such as physical therapy (\$718) and acupuncture (\$318).

Part of this lower cost is due to chiropractic care episodes being shorter than other specialties (29 days for a DC vs. 85 days for a pain management specialist). When seeking care for low back pain, patients can visit multiple specialists and receive numerous services before finding relief. With chiropractic, patients typically remain within the DC's care and tend to receive fewer overall services, lowering the global cost of care. This same conclusion was discovered in an earlier study that examined different treatment approaches to low back pain and the effect on costs and employee disability. Researchers found that chiropractic care consistently had the lowest costs among all the employee groups studied. According to the study's authors:¹⁴ "accessing the chiropractic approach will tend to be the least expensive because they are less likely to be prescribed medications or end up with complex medical procedures and because they are less likely to record guideline-incongruent use of imaging, procedures, and medications when the latter are delivered."

In addition to lowering costs, earlier research has shown that chiropractic care is associated with other outcomes beneficial to employers and employees. For example, a study of active-duty U.S. military service members – ages 18 to 50 – found that medical care plus chiropractic care reduced low back pain intensity and disability¹⁵ while increasing satisfaction over usual care

alone. Likewise, in a study where a diverse group of U.S. private sector medical facilities implemented chiropractic alongside other specialties, delivery of chiropractic services was perceived to have high value among patients, medical providers and administration.¹⁶ Positive patient outcomes, patient satisfaction, provider productivity, and cost offset were identified as markers of clinic success.



CONCLUSION

To reduce healthcare costs and decrease temporary disability days, companies ought to consider how they could increase utilization of nonpharmacologic clinical pathways, namely chiropractic care. In the WCRI study, researchers found that the highest utilization of chiropractic was only 34% and as little as 5%. In some states, this could be due to a lack of DCs, but more likely employees are simply not aware of how effective chiropractic is in relieving their pain and getting them back to work without opioids.



Educating employees on chiropractic and other types of nonpharmacologic care is important to increase utilization, as is waiving copays or deductibles, if the company's health plan has those features. UnitedHealthcare, for example, announced in 2019 that it would waive deductible and copays in certain health plans if members selected physical therapy or chiropractic care for the treatment of low back pain. The insurer estimated that the benefit design would reduce spinal imaging tests by 22%, spinal surgeries by 21%, opioid use by 19% and lower the total cost of care to members and employers. In 2021, UnitedHealthcare waived a referral requirement for chiropractic care in 15 states for individual and family plans purchased through state health insurance exchanges.

Whether it is chiropractic care, physical therapy or acupuncture, the goal is to have a healthy, productive workforce. By enabling employees to access the type of drug-free care they feel will help them most, the likelihood of reaching those human resources and cost management goals will be significantly higher.

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