

THE BENEFITS OF INCREASING CONSUMER ACCESS TO NATUROPATHIC DOCTORS

Insurance Inclusion for Naturopathic Doctors

- Naturopathic Doctors are seeking credentialing and parity in coverage under California health insurance programs to improve patient access to high quality primary health care.



Who are Naturopathic Doctors?

- Primary care providers (PCPs)
- Specialists in the prevention of illness, as well as the management of chronic disease
- Trained in both conventional & natural medicine
- Use conventional diagnostics and standards to diagnose illnesses and health conditions
- Incorporate a variety of natural medicines including diet and nutrient therapies, counseling, and botanical medicine into treatment plans
- Use prescription medications, scheduled drugs, and other appropriate therapeutics as necessary

Including NDs in Insurance Plans Makes Sense

- California has a pool of trained PCPs that are significantly underutilized
- NDs offer cost-effective ways of preventing and managing chronic disease
 - Including NDs in insurance plans has been shown to create savings for payers and insurers, as seen in Washington and Vermont studies
- Until recently, there has not been legislation that directs insurance coverage for identical services provided by various providers in CA
 - Section 2706(a) of the Affordable Care Act, however, does now issue such a directive for all states: "group health plan and a health insurance issuer offering group or individual health insurance coverage **shall not discriminate** with respect to participation under the plan or coverage against **any health care provider who is acting within the scope of that provider's license** or certification under applicable state law."

California NDs are licensed to:

- Diagnose, prevent, and treat disease
- Perform physical exams including orificial exams (oral, vaginal, anal)
- Order x-rays, electrocardiograms, ultrasounds, CTs and laboratory tests
- Draw blood and perform CLIA-waved laboratory testing in-office
- Administer IVs and injections
- Prescribe natural and pharmaceutical medications
- Are eligible for Drug Enforcement Agency (DEA) numbers, giving them the ability to prescribe Schedule III-V drugs

California Essential Health Benefits That NDs are Licensed to Provide

- Gynecological services
 - Includes STI screenings and prevention counseling
- Contraceptive methods
- Weight loss programs
- Diagnostic tests and imaging
- Asthma supplies and equipment
- Diabetes equipment, supplies, prescription drugs and education
- Cancer screenings
- Vaccinations
- Preventative services
 - Blood pressure, cholesterol, diabetes and obesity screening and prevention counseling
 - Tobacco and alcohol misuse screening and counseling
 - Depression screening
 - Osteoporosis screening
- Preventative services for children
- Ambulatory patient services

ND Education

- All NDs attend a four-year graduate level naturopathic medical school
 - Both the U.S. Department of Education and the Carnegie Institute classify the ND degree as a First-Professional Degree under Doctorate-Professional (Clinical), on par with MD and DO
 - Council of Naturopathic Medical Education (CNME) is a programmatic accrediting agency recognized by the U.S. Department of Education
- Required to pass National Licensing Exam
 - Naturopathic Physicians Licensing Examination (NPLEX)
 - Basic Sciences and Clinical Boards

Why Should Your Company Contract With Us?

- Cost-effectiveness
- A solution to California's primary care shortage
- Consumer demand



The Burden of Chronic Illnesses

- The four most common causes of chronic disease are **modifiable** health risk behaviors including lack of physical activity, poor nutrition, tobacco use, and excessive alcohol consumption
 - In California, 14 million people (38% of the population) live with at least one chronic condition.
 - Individuals with multiple chronic conditions – 20% of the population – account for 60% of CA's healthcare expenditures.¹
- 90% of health care dollars are spent treating diseases that are completely preventable
- NDs are the only PCPs trained extensively in counseling, nutrition, exercise prescriptions, and stress management, enabling them to expertly address modifiable risk factors

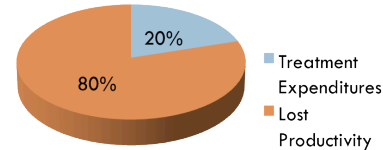
¹Chronic Disease in California: Facts and Figures. Oakland, CA: California Healthcare Foundation, 2006

Economic Impact of Chronic Disease in California

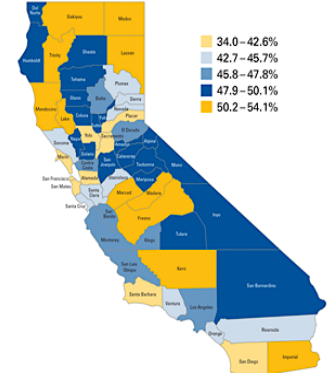
Total Costs of Chronic Disease in California (2003)

(Annual Cost in Billions)

Treatment Expenditures: \$26.9
 Lost Productivity: \$106.2
Total Costs: \$133.0



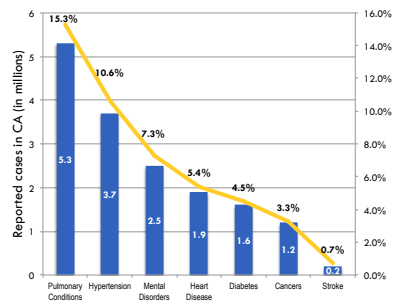
Share of Adults with One or More Chronic Condition by County, 2002



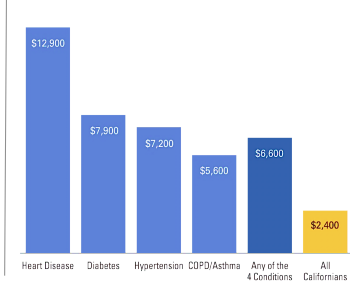
Source: Chronic Disease in California: Facts and Figures. Oakland, CA: California Healthcare Foundation, 2006.

Chronic Illnesses In California

Chronic Illness Incidence in California, 2003



California Health Care Spending by Condition
Annual cost per capita, 2002



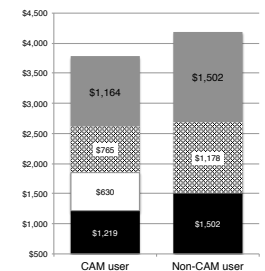
Source: Chronic Disease in California: Facts and Figures. Oakland, CA: California Healthcare Foundation, 2006.

*As % of non-institutionalized population. Number of treated cases based on patient self-reported data from 2003 MEPS. Excludes untreated and undiagnosed cases. Reported Cases in California, 2003

Naturopathic Medicine is Cost-Effective Primary Care Medicine

- 67.7% of patients in Washington state who receive Naturopathic care do not receive concurrent care from an MD/DO for their reason for visit (RFV); **Naturopathic care is not "add-on" medical care in most cases.**²
- 2001 WA analysis found that Complementary and Alternative (CAM) services cost approximately \$0.20-\$0.19 per member per month in HMO and PPO plans.³
- After 6 years in insurance coverage of ND PCPs in WA, visits to NDs made up just 1% of all outpatient provider visits but accounted for only **0.3% of the dollars paid out by insurers.**
- CAM expenditures were dwarfed by the high cost of conventional care (Washington study).^{1,2}

Figure 1. Average annual allowed expenditures by CAM use status. Solid black: outpatient expenditures from conventional providers; solid white: outpatient expenditures from CAM providers; gray stripe: inpatient expenditures; solid gray: other expenditures not related to a provider visit, such as imaging and lab work.



¹ Henry, Geoffrey C., Alternative Health Care Consultant, King County Medical Blue Shield (KCMBS), Phase I Final Report: Alternative Healthcare Project, 1995.
² Washington King County Medical Blue Shield Steering Committee.
³ Watts CA, Lafferty WG, Baden JC. The effect of mandating complementary and alternative medicine services on insurance benefits in Washington state. J Altern Complement Med. 2004; 10:1001-1008.

Evidence of Cost-Savings

- Data suggests that an effective ND PCP-centered managed care program could cut the costs of chronic and stress related illness by up to 40%.¹
- Evidence suggests that Naturopathic Medicine treats 7 of the top 10 most expensive health conditions **much more cost-effectively than conventional providers**.²
- Naturopathic Medicaid services in Oregon are 57.5% more cost effective than MD/DO/NP combined services.³
- 61% of CAM users report a substantial reduction in their use of costly prescription drugs**.⁴
- A 2011 study in the Netherlands found that patients seeing CAM PCPs **saved insurance carriers approximately \$220 per patient per year** compared to conventional PCPs.⁵
 - For patients older than 75, seeing a CAM PCP resulted in **lower costs by about \$2080 per year**, due to lower prescription and hospital costs.⁵

¹ Washington King County Medical Blue Shield Steering Committee.

² Henny, Geoffrey C., Alternative Health Care Consultant, King County Medical Blue Shield (KCMBS), Phase I Final Report: Alternative Healthcare Project, 1995.

³ The Cost Effectiveness of Naturopathic Delivery of Oregon Medicaid Services Statistics provided by Leslie Hendrickson, Office of Medical Assistance, Feb 11, 1991.

⁴ Stewart D, Weeks J, Bent S. Utilization, patient satisfaction, and cost implications of acupuncture, massage, and naturopathic medicine offered as covered health benefits: a comparison of two delivery models. *Alternative Therapies in Health & Medicine*. 2001; 7:66-70.

⁵ Kooreman, Peter; Baars, Erik W. (2011): Patients whose GP knows complementary medicine tend to have lower costs and live longer. Discussion paper series // Forschungsinstitut zur Zukunft der Arbeit, No. 5753, urn:nbn:de:1011-201106202064

Cost-Savings Evidence from Vermont

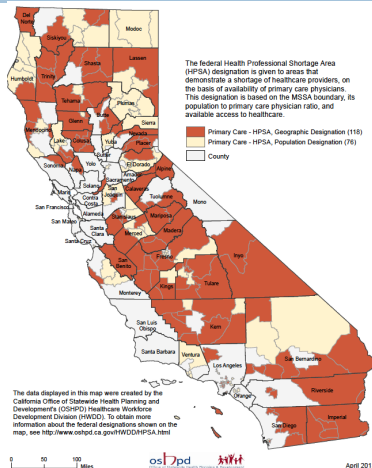
- Vermont Auto Dealer's Association (VADA) wellness program administered by NDs:

- During the two years following the introduction of Naturopathic Medicine program, the VADA saved nearly \$1.5 million in medical costs.
- Produced a return on investment of \$8 for every \$1 spent.
- Decreased health care claims paid annually after introduction of program.** Prior to that, claims had been increasing every year.
- Each VADA-identified health risk **showed improvement** over two years.

Risk	Improvement
Hypertension	48%
Cardiovascular risks	34%
High cholesterol	26%
Physical inactivity	26%
Smoking	13%
Diabetes	13%
Excessive stress	9%
Overweight	4%

A solution to the Primary Care Shortage in California

- 75% of counties in California have a PCP shortage, according to the California Medical Association
 - Study found that CA will need 3,334 more PCPs to respond to ACA implementation¹
- NDs are currently providing PCP services to Californians
 - We need to make ND primary care providers more accessible to reduce costs and address the PCP shortage



¹ National Association of Community Health Centers, Robert Graham Center, The George Washington University School of Public Health and Health Services. Access Transformed: Building a Primary Care Workforce for the 21st Century. Washington, D.C., 2008

Lack of Access to PCPs Means Increased Costs for Carriers

- A 2007 study found that **one-third of all Emergency Department (ED) visits are "avoidable,"** meaning treatable in primary care settings.
 - ED charges for minor, non-urgent problems may be **two to five times higher** than charges for a typical private doctor office visit.
- In 2006, **California spent over \$1.8 billion on avoidable ED visits.**
 - The 2007 study found that reliance on the ED is **likely due to lack of a primary care provider** and longer waiting times for doctor appointments.¹

¹ National Association of Community Health Centers, Robert Graham Center, The George Washington University School of Public Health and Health Services. Access Transformed: Building a Primary Care Workforce for the 21st Century. Washington, D.C., 2008

Consumer Demand



- 35% of current third-party payer subscribers in WA and MI say that they would switch their carrier to one that offers coverage for alternative therapies above the current benefits.
- The Center for Disease Control’s National Center for Health Statistics reports that almost 40% of Americans used CAM in 2007.

Insurance Coverage in Other States

- Naturopathic medicine is covered by 90 insurance carriers in other states
 - Alaska
 - Connecticut
 - Hawaii
 - Montana
 - Vermont
 - Washington

State	Insurance Carriers
Montana	Blue Cross/Blue Shield, Children’s Health Insurance Plan, Allegiance Healthcare, New West Health Insurance, Montana Association of Counties, Great West, MUST and others
Oregon	Blue Cross/Blue Shield, ODS, LifeWise, PacificSource, Oregon Health Plan (Medicaid), Aetna, HealthNet, PEBB, Kaiser, Regence, Providence and others
Vermont	Blue Cross/Blue Shield of VT, CIGNA, MVP, Medicaid, V HAP, Dr. Dynasaur, and others
Washington	Blue Shield/Blue Cross of WA, Uniform Medical, CIGNA, Aetna, Group Health, United Healthcare & PacifiCare

Provider Non-Discrimination in ACA Section 2706(a)

- A group health plan and a health insurance issuer offering group or individual health insurance coverage **shall not discriminate** with respect to participation under the plan or coverage **against any health care provider who is acting within the scope** of that provider’s license or certification under applicable State law.
- As of 2014, 5.1 million Californians will be eligible for insurance through the ACA (Covered California, 2013)

NDs Provide ACA-Covered Services

- Naturopathic Doctors are seeking credentialing and parity in coverage under California health insurance carriers in alignment with the ACA
- NDs provide the same services as our medical doctor and osteopathic doctor counterparts
- NDs utilize the same CPT insurance coding

Partnering with Naturopathic Doctors: A Cost-Effective Solution to California's PCP Shortage

- Increasing access to NDs means:
 - Reducing the astronomical costs associated with chronic disease
 - Effectively addressing California's PCP shortage
 - Greater patient satisfaction and improved outcomes
- Licensed NDs provide the same services and bill under identical CPT codes as their MD and DO colleagues. ACA Section 2706(a) calls for inclusion of healthcare professionals who are licensed to provide services covered by the ACA.
- Naturopathic doctors look forward to collaborating with insurance carriers to increase access to cost effective primary care for Californians.