

Report: Insurance Coverage for Acupuncture on the Rise

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Recent studies suggest that the percentage of companies offering health insurance for employees has decreased over the past few years. The latest estimates show that only about 60 percent of adult workers in the U.S. receive health benefits through their employer. There are a variety of reasons for this decline, including drastic increases in insurance premiums, which have risen as much as 59 percent since 2000.

During the same time frame, as complementary and alternative medicine (CAM) has moved closer toward the mainstream of health care, employers have begun to recognize the benefits some forms of CAM have to offer, and have started to integrate these therapies into their existing insurance plans. The latest example of this trend was featured in a survey released by the Kaiser Family Foundation and Health Research and Educational Trust.¹ The survey, published in September 2004, revealed that employer coverage for acupuncture increased 14 percent from 2002 to 2004, making it one of the fastest-growing CAM therapies to be included as a covered service for American workers with health benefits.

The survey included 3,017 randomly selected public and private firms (all with three or more employees) that responded to a telephone survey containing up to 400 questions. The survey included questions on insurance costs, coverage, eligibility, health plan choice, covered benefits, and other factors. In addition, all firms were asked whether they offered or contributed to a health insurance program as a benefit to employees.

Among the survey's findings:

- 47 percent of all employers surveyed offered acupuncture as a covered health benefit, up from 33 percent in 2002.
- A higher percentage of point-of-service plans (POS) included coverage for acupuncture services compared to the other plans. Fifty-two percent of the POS plans covered acupuncture; 47 percent of the PPO plans offered coverage; 44 percent of conventional plans included an acupuncture benefit; and 41 percent of HMO plans provided coverage. Depending on the size of the firm, figures for insurance coverage all increased from between 4 percent and 21 percent compared to 2002, when the Kaiser Family Foundation conducted a similar employer survey.
- Large firms were more likely to include acupuncture as a covered benefit, regardless of the type of insurance plan offered. Fifty percent of all large firms (those with 200 or more employees) surveyed offered coverage for acupuncture, compared to 41 percent of small firms (those with between 3 and 199 employees). The highest percentage of large firms offering acupuncture coverage were those that used point-of-service plans (60 percent).

Percentage of covered workers in conventional, HMO, PPO and point-of-service plans with acupuncture benefits by firm and size, 2002-2004

Firm/plan	2002			2004		
	Small Firms	Large Firms	All Firms	Small Firms	Large Firms	All Firms
Conventional plans	34	42	39	42	46	44
HMO plans	19	28	26	32	45	41
PPO plans	31	34	33	45	48	47
Point-of-service plans	30	39	35	39	60	52

Acupuncture wasn't the only form of CAM to show an increase in insurance coverage over the past few years. Chiropractic, once considered "unproven" and a type of "quackery" by many in the medical profession, also made significant gains, as noted in the Kaiser survey. In 2004, 87 percent of all firms provided coverage for chiropractic, up from 79 percent in 2002.

Coverage for other forms of alternative care also appears to be increasing. A similar survey published by Mercer Human Resource Consulting found that in 2003, 13 percent of large employers covered massage therapy in their largest medical plans; 7 percent covered homeopathy; and 7 percent covered biofeedback. The Mercer survey also found a 10 percent increase in the number of employers offering coverage for acupuncture, from 17 percent in 1998 to 27 percent in 2003.

"There are some employers out there who are saying, 'No new benefits of any type,'" said George DeVries, chief executive officer of American Specialty Health Plans, an organization that offers coverage for alternative health care providers such as acupuncturists, massage therapists and chiropractors, which is added to traditional insurance policies. "But there are many employers who are saying, 'Adding a low-cost (benefit) actually helps us in a time when we're increasing deductibles and co-pays and co-insurance."²

As the Kaiser survey shows, some insurance companies are moving forward and giving patients what they want: health care coverage that includes access to acupuncture and other alternatives to Western medicine. Perhaps more importantly, it reveals that insurance providers and employers are finally beginning to realize what the acupuncture and Oriental medicine profession has known for decades: that acupuncture is a safe, cost-effective form of healing that provides benefits as good as, if not superior to, more "traditional" forms of care.

References

1. *Employer Health Benefits 2004 Annual Survey*. ISBN #0-87258-812-2. Henry J. Kaiser Family Foundation, Menlo Park, Calif., and Health Research and Educational Trust, Chicago, Ill. Copyright 2004.
2. Rubenstein S. Employers offer more alternative medicine. *Salt Lake Tribune*, Sept. 25, 2004.

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