



Performance Reporting

Voice: (301) 871.0010 Fax: (301) 871.0020
Toll Free: (877) 871.0010

PHOTOCOPY
PRESERVATION

WHITE HOUSE COMMISSION
on
COMPLEMENTARY and ALTERNATIVE MEDICINE POLICY

+ + +

Meeting Topic I:
CAM: Understanding Coverage and Reimbursement
and

Meeting Topic II:
CAM: Research Challenges

+ + +

Volume II

+ + +

Tuesday, May 15, 2001

8:10 a.m.

Academy for Educational Development
1825 Connecticut Avenue, N.W.
Academy Hall, 8th Floor
Washington, D.C.

PERFORMANCE REPORTING

Phone: 301.871.0010 Toll Free: 877.871.0010

PARTICIPANTS:

Chairperson

James S. Gordon, M.D., Director
The Center for Mind-Body Medicine

Commission Members

George M. Bernier, Jr., M.D.
Vice President for Education
University of Texas Medical Branch

Thomas Chappell
Co-Founder and President
Tom's of Maine, Inc.

Effie Poy Yew Chow, Ph.D., R.N., DiplAc (NCCA)
Qigong Grandmaster
President, East-West Academy of Healing Arts

George T. DeVries, III
Chairman, CEO, American Specialty Health Plans

William R. Fair, M.D.
Attending Surgeon, Urology (Emeritus)
Memorial Sloan-Kettering Cancer Center
Chairman, Clinical Advisory Board of Health, LLC

Joseph J. Fins, M.D., F.A.C.P.
Associate Professor of Medicine,
Weill Medical College of Cornell University
Director of Medical Ethics,
New York Presbyterian Hospital-Cornell Campus

Veronica Gutierrez, D.C.
Gutierrez Family Chiropractic

Wayne B. Jonas, M.D.
Department of Family Medicine
Uniformed Services University of the Health Sciences
F. Edward Herbert School of Medicine

Charlotte Kerr, R.S.M.
Traditional Acupuncture Institute, Inc.

Linnea Signe Larson, LCSW, LMFT
Associate Director
West Suburban Health Care
Center for Integrative Medicine

PERFORMANCE REPORTING

Phone: 301.871.0010 Toll Free: 877.871.0010

PARTICIPANTS (continued):

Commission Members

Tieraona Low Dog, M.D., A.H.G.
(Private Practice)

Dean Ornish, M.D.
President/Director
Preventive Medicine Research Institute
Clinical Professor of Medicine
University of California, San Francisco

Conchita M. Paz, M.D.
(Private Practice)

Joseph E. Pizzorno, Jr., N.D.
Co-Founder/Founding President, Bastyr University

Buford L. Rolin
Poarch Band of Creek Indians

Julia R. Scott
President
National Black Women's Health Project

Xiaoming Tian, M.D., LAc
Director, Wildwood Acupuncture Center
Academy of Acupuncture & Chinese Medicine

Donald W. Warren, D.D.S.
Diplomate of the American Board of
Head, Neck & Facial Pain

Commission Members Not Present

David Bresler, Ph.D., LAc, OME
Dipl.Ac.(NCCAOM)
Founder and Executive Director
The Bresler Center, Inc.

PARTICIPANTS (continued)

Executive Staff

Stephen C. Groft, Pharm.D.
Executive Director

Michele M. Chang, C.M.F., M.P.H.
Executive Secretary

Joseph M. Kaczmarczyk, D.O., M.P.H.
Senior Medical Advisor

Corinne Axelrod, M.P.H.
Senior Program Analyst

Geraldine B. Pollen, M.A.
Senior Program Analyst

Joan Albrecht
Program Assistant

Doris A. Kingsbury
Program Assistant

Consultant Staff

Kenneth D. Fisher, Ph.D.
Senior Scientific Advisor

Maureen Miller, R.N., M.P.H.
Senior Policy Advisor

James Swyers
Writer/Editor

C O N T E N T S

	<u>Page No.</u>
Panel VII: Issues and Ideas	
Melinna Gianninni Alternative Link, Inc.	7
Linda Bedell-Logan Solutions in Integrative Medicine	15
Wayne Sickels Massage Therapist	26
Panel Discussion	35
Max Heirich, Ph.D. University of Michigan	68
Panel Discussion	79
Group Reports and Discussion	
Group IIB: Federal Agencies, States, and National Organizations	
Dr. Conchita Paz, Chair	96
Group IIA: Coverage and Reimbursement for CAM	
George T. DeVries, III, Chair	103
Meeting Topic II: CAM: Research Challenges	
Panel I: Overview of CAM Research Challenges	
David Eisenberg, M.D. Harvard University	123
Panel Discussion	154
Panel II: Foundation Support for CAM Research	
M. Bridget Duffy, M.D. Medtronic Foundation	174
Doriane C. Miller, M.D. Robert Wood Johnson Foundation	185
Susan Braun Susan G. Komen Breast Cancer Foundation	190
Susan Samueli Samueli Institute for Information Biology	198

PERFORMANCE REPORTING

Phone: 301.871.0010 Toll Free: 877.871.0010

CONTENTS (continued)

Panel Discussion	208
Panel III: Approaches to Evaluating Research Literature	
Donald A. Lindberg, M.D.	
National Library of Medicine	229
Douglas B. Kamerow, M.D., M.P.H.	
Agency for Healthcare Research and Quality	238
Brian Berman, M.D.	
University of Maryland	245
Panel Discussion	264
Panel IV: Concerns about CAM and CAM Research	
William M. London, Ed.D, M.P.H.	
National Council Against Health Fraud	290
Simeon Margolis, M.D., Ph.D.	
Johns Hopkins University	297
Arthur P. Grollman, M.D.	
State University of New York at Stonybrook	305
Panel Discussion	314
Adjournment	349

P R O C E E D I N G S

[8:10 a.m.]

MS. CHANG: Good morning. Welcome to the second day of the meeting, the first agenda topic on Understanding Coverage and Reimbursement.

If we could have the first panel come up. We are going to do a little bit of an opening, but we will have you ready to go since we are running already a little bit behind schedule:

Melinna Gianninni from Alternative Link, Inc. and Linda Bedell-Logan from Solutions in Integrative Medicine and Wayne Sickels, a massage therapist.

DR. GORDON: We customarily just sit for a moment to get ourselves centered and present here. If we could do that.

[Moment of silence observed.]

DR. GORDON: Okay, thank you.

Yesterday, we had a very full and fruitful day, and today we have a very challenging agenda. So let's begin with our first speaker, Melinna Gianninni.

Panel Session VII: Issues and Ideas

Presenter: Melinna Giannini

PERFORMANCE REPORTING

Phone: 301.871.0010 Toll Free: 877.871.0010

1 MS. GIANNINNI: Perfect. Congratulations.

2 Good morning Honorable Commissioners. I
3 appreciate the opportunity to talk to you today. A
4 special thanks to the staff for getting me here so
5 efficiently and helping me get my presentation together.

6 What if every licensed CAM provider could bill
7 any insurance company and spend no more than five minutes
8 on paperwork?

9 What if every insurance company knew within a
10 nanosecond that the CAM provider billing the service was
11 allowed by state scope of practice laws to file the
12 service being billed?

13 What if the CAM provider and the insurance
14 company could negotiate fees for all CAM services by
15 agreeing on one number, and that resulting fee structure
16 was legally defensible?

17 What if the insurance company could instantly
18 compare CAM treatments for any disease or health problem
19 to the average cost of conventional medical treatments?

20 What if allopathic physicians and CAM providers
21 knew exactly how to cooperate with each other and build
22 the appropriate care paths for patient treatment?

1 What if CAM providers could be paid within
2 three days of filing a claim and the money automatically
3 went into their bank account?

4 What if Medicaid plans could report CAM
5 services to HCFA?

6 What if all this were possible without one new
7 piece of software?

8 I am here today to tell you about a coding
9 system that makes all of these things not only possible,
10 but they are being used today.

11 Before I explain how and why this coding system
12 was created, I would like to provide the Commission with
13 a brief background on coding. Coding is not mysterious.
14 Actually, the first codes were developed by the Chilton's
15 Car Manual people because automobiles were very
16 complicated and had a lot of parts to track. By the use
17 of numbers on auto parts, things could be looked up
18 easily, fees could be attached to each piece, and the
19 services also had codes.

20 So, what Detroit started learning from using
21 coded information was which automobile parts lasted the
22 longest, which services got the car fixed the quickest,

1 and they also learned that if a fuel pump went out and
2 somebody purchased it too many times, maybe they needed
3 to redesign the fuel pump.

4 So, coding is not mysterious, but it is very
5 powerful even though it is kind of boring for the average
6 human being to think about. It is a very powerful tool,
7 and it can be used to do a lot of chores.

8 Codes allow us to measure patient outcomes.
9 They can also be used to measure costs. Health insurance
10 coding also represents the fee attached to the code for
11 the service or supply. Codes must convey as much detail
12 as is needed to make sure that the right payment is made
13 for the service or supply being billed for.

14 Insurance companies constantly review coded
15 data from claims to learn what premium to charge for
16 health care policies. Health insurance software used to
17 pay claims to doctors is also used to capture treatment
18 patterns and outcomes information from the standard forms
19 like your HCFA 1500 or the one used in hospitals, the UB
20 92.

21 These paper standards are now becoming
22 electronic standards because of HIPAA, Health Insurance

1 Portability and Accountability Act. In 1996, HIPAA
2 mandated that no longer could insurance companies create
3 internal private code sets, but national code set
4 standards had to be identified to support all licensed
5 health care practitioners.

6 This process has been ongoing since that date,
7 and we have been participating in that process, telling
8 the federal government about the code set that we have
9 developed that contains over 4,000 procedures, supply
10 items, and descriptions of things that CAM providers need
11 to bill insurance companies.

12 We also have relative value units, not
13 developed by us, but developed by a company that you all
14 may know of, Relative Studies, Inc., created relative
15 values for physicians, and it is used quite a bit
16 throughout the health insurance industry.

17 When you attach a relative value unit with a
18 code, that allows that negotiation of going out with one
19 conversion factor that is adjustable by any region in the
20 country to negotiate fees for all of the services in the
21 system, in a coding system, and that is standard
22 operating procedure with conventional medicine and CPT

1 codes.

2 They all have relative value units whether they
3 are relative values for physicians or the
4 Medicare/Medicaid RB/RBS system. That is developed, so
5 that we can negotiate fees without having to go in and
6 negotiate for each service individually.

7 So, with one number, you multiply the relative
8 value unit, and now you have a rate for any area of the
9 country. That number is adjustable, the relative value
10 units stay the same.

11 Does everybody understand that?

12 Having relative value units allows comparative
13 analysis across state boundaries and economic districts.
14 The reason is you can always go back to the relative
15 value unit and take out the conversion factor, and now
16 you can compare apples to apples where you never could
17 before because now you have a pooling of values on this
18 side and a pooling of values on this side, and you can
19 find out what the cost comparisons were.

20 So, when I said before that insurance companies
21 could instantly compare the costs, this is true because
22 of relative value units.

1 CAM codes are necessary to create usable claims
2 data that, in turn, is monitored to measure patient
3 outcomes and costs, and also to help develop premiums for
4 CAM services. We heard a lot yesterday about why
5 insurance companies are having trouble handling CAM
6 services. The biggest reason, and I think the one that
7 you will agree with me on, is that there is no cost
8 outcomes to look at. So, having cost comparisons is key
9 to driving CAM services.

10 My company started out to track who was allowed
11 to do what, in which state, because we thought that would
12 be really key to appropriate reimbursement for CAM. We
13 tried to work with existing coding systems, and we
14 couldn't do it because they just weren't specific enough.

15 So, in addition to committing to develop a
16 database to describe who was allowed to do what, we had
17 to take several steps backwards and go back to the code
18 level and describe the services from that level.

19 We have been in the process of working through
20 the government standardization process as it was outlined
21 in HIPAA to develop a standard code set to support all
22 alternative practitioners and also conventional

1 practitioners, like registered nurses that have advance
2 degrees, there is five levels of nurses that have advance
3 degrees that in some states bill separately from
4 physicians, and can be in private practice, but they
5 weren't supported by coding either.

6 The work that we have done has resulted in the
7 inclusion of the code set in the UMLS, which is the
8 Unified Medical Language System at the National Library
9 of Medicine. We were invited to testify before the
10 National Committee on Vital and Health Statistics two
11 years ago as they were looking at the standard code sets.

12 We were mentioned in the Final Rule as a
13 potential standard that came out in August of 2000, and
14 we have since been following a process that has been
15 outlined by the government to make exceptions to the
16 standards that were already listed.

17 This was complicated by the fact that they
18 chose a version of an X12 standard, which is the
19 electronic message format standards for health care
20 messages. It was an earlier version than the one we were
21 voted into in 1999, so what we are doing now is asking to
22 be included in the updates.

1 The ABC codes support all alternative
2 practitioners that hold a state license. I am going to
3 collapse the rest of my testimony and ask that the
4 Commissioners support insurance reimbursement to CAM by
5 asking the Secretary of the Department of Health and
6 Human Services to name this code set of standard for CAM
7 services.

8 Thank you.

9 DR. GORDON: Thank you very much, and I am sure
10 the Commissioners will have questions more about how the
11 coding system works as we get into the questions.

12 Next is Linda Bedell-Logan.

13 **Presenter: Linda L. Bedell-Logan**

14 MS. BEDELL-LOGAN: Good morning. Thank you.

15 Medicine in the United States was at one time
16 as diverse as the cultures that came here to build new
17 lives. There was an integration of Native American
18 medicine, Eastern and European medical philosophies and
19 techniques.

20 By the mid-1800s, biomedicine began to dominate
21 with the discovery that bacteria was believed to be the
22 cause of disease and therefore, vaccines and antitoxins

1 became the complete focus of research in the United
2 States.

3 Similar to the balancing act between offensive
4 action and defensive action in war, medicine in the
5 United States became focused on offensive medical
6 practices, in other words, good bacteria and cells are
7 being killed in the movement towards killing bad bacteria
8 and cells.

9 Within the past 30 years, medical research has
10 refocused on defense or preventive techniques used in the
11 past, as well as new non-pharmaceutically-based research
12 that has transformed to other countries, both from the
13 standpoint of prevention, as well as disease
14 intervention. This evolution has proven to reduce the
15 cost of overall health care in other countries, as well
16 as increase the quality of care delivered.

17 First, the Office of Alternative Medicine, and
18 now the National Centers for Complementary and
19 Alternative Medicine, are convinced through pointed
20 research, botanical medicine, mind-body interventions,
21 manual healing techniques, diet and nutrition, and
22 Eastern medical techniques and philosophies will play an

1 important role in disease intervention in the future.

2 This exciting and promising research is
3 extremely important to the future of medicine in the
4 United States, however, long before organized research
5 began in this field, consumers were being treated by
6 alternative medicine providers.

7 Once a number of excellent national surveys
8 were published and the use of alternative medicine was
9 realized, conventional physicians all over the country
10 began to ask their patients if they used alternative
11 medicine and began to realize they were actually sharing
12 patients with providers they knew nothing about.

13 Conventional physicians found their hands tied
14 in treating chronic diseases, such as chronic fatigue
15 syndrome, migraine headaches, and multiple sclerosis.
16 These physicians started to do literature searches based
17 on the alternative medicines their patients were using.

18 These physicians found that there was, in fact,
19 sufficient efficacy information on many of the techniques
20 that were considered outside of mainstream medicine.
21 Many of these providers not only began to support their
22 patients' use of these therapies, but also added

1 alternative medicine providers to their practices.

2 This mutual respect of diverse medical
3 practices led to what we now called integrative medicine.
4 Currently, there are hundreds of integrative medical
5 practices in this country that range from private, free-
6 standing clinics to hospital-based centers, to academic
7 health centers that have integrative clinics as a focus
8 on health services research.

9 The current system in the United States used to
10 objectify medical procedures and encounters is CPT or
11 Current Procedural Terminology developed by the American
12 Medical Association. This system of coding is an
13 excellent way to provide a tool for billing insurance
14 carriers for medical procedures. These codes can also be
15 of great use when researching utilization data.

16 The challenge for the integrative practices
17 that are already treating patients is to find the proper
18 codes within this system to objectify services in an
19 effort to obtain insurance reimbursement. The AMA has
20 come a long way in creating codes for this purpose, but
21 fall short in providing a comprehensive system of coding
22 for the integrative or alternative practice.

1 The AMA must find a way to code integrative and
2 alternative services with the help of research entities
3 like NCCAM and provide accessibility to these practices
4 or this huge gap in medicine will continue to hinder
5 health care reform in this country.

6 The AMA has created acupuncture, massage,
7 hypnosis, biofeedback, and nutritional counseling codes.
8 These few codes are not comprehensive and fail to capture
9 many services being frequently delivered by properly
10 licensed health care providers.

11 Much work needs to be done to expand CPT in an
12 expedited process to include these frequently rendered
13 services. This process, however, should be done with the
14 input of a panel of CPT experts, as well as the
15 practitioners, providing these services in an effort to
16 appropriately capture the service rendered in a coding
17 scheme.

18 Much of this work has already been done by
19 professionals outside of the AMA, and until both
20 administrative sides of health care integrate their
21 knowledge and systems, the delivery side will never truly
22 be able to thrive and the American consumer will be left

1 to pay out of pocket for choice.

2 Medicine that is potentially cost saving to the
3 insurers will continue to be accessible only to the
4 wealthy. If your disposable income is not sufficient to
5 support both an insurance premium, as well as an out-of-
6 pocket expense, your only option is to accept the limited
7 set of options covered by your insurance carrier at the
8 very moment when your life is threatened and choice is
9 essential.

10 In my experience over 12 years of providing
11 billing and practice management services to integrative
12 and alternative practitioners, I have seen firsthand the
13 cost offsets and efficacy apparent in alternative
14 techniques. Many integrative clinics are creating
15 cutting edge programs for patients suffering from chronic
16 disease and negotiating with managed care companies to
17 reimburse these cost-saving programs.

18 The U.S. Public Health Service estimates that
19 70 percent of the health care budget is spent on 20
20 percent of the population, that segment of the population
21 which suffers from chronic diseases.

22 The recommendations that follow are intended

1 for health care as it exists today, for the urgent needs
2 of patients without choice, providers without the right
3 to make clinical decisions, and payers without answers.

4 The origin of CPT was created by the desire to
5 obtain utilization data for conventional medicine
6 techniques and procedures. The role of CPT in the eyes
7 of the AMA was to categorize conventional medical
8 services in an effort to objectify services rendered in
9 the physician's office. The license to use these codes
10 is then purchased by the insurer and the CPT code books
11 are sold to physician offices.

12 This mass distribution of CPT resulted in the
13 creation of a standard language used to submit
14 information to insurance carriers.

15 There are three main factors that have
16 attributed to the demise of the clinical usage of CPT,
17 the administrative paper war associated with CPT, and the
18 crash of managed care systems because of the misuse of
19 CPT.

20 First, the clinical usage of CPT in the
21 physician's office was severely misused and abused in the
22 seventies and eighties. The crackdown by Medicare's

1 Fraud and Investigation Unit discovered huge abuses in
2 the way services were reported and began to create
3 guidelines around how long a physician could spend with a
4 patient with a given disease and how that service needed
5 to be coded in order to be paid.

6 Once the commercial insurers caught on to this
7 same kind of abuse, meetings began to take place with the
8 large insurance companies in the country and Health
9 Maintenance Organizations, and the advent of managed care
10 resulted.

11 The second factor of the demise of the
12 administrative side of health care was when the simple
13 use of CPT, used to track utilization and cost data,
14 became the tool for measuring best practices in managed
15 care. Actuarial firms all over the country purchased
16 large quantities of CPT data from many sources, and from
17 those data decided what were the best practices in
18 medicine.

19 Then, these firms sold the analyses of their
20 data to managed care and insurance companies who started
21 to create software that would kick out claims if the
22 diagnosis did not match best practices analysis generated

1 from the CPT data previously collected.

2 Picture this - if every physician decided to
3 treat terminal cancer patients by significantly changing
4 their diet, given the way we make best practices
5 decisions today, chemotherapy might cease to be
6 considered best practice. Just because the data indicate
7 a treatment is most widely used, it does not prove the
8 efficacy of that treatment.

9 CPT data should be used only as it was intended
10 to be used - for utilization review and not the
11 determination of best clinical practices. In making
12 these data best-practice guidelines, we have increased
13 the cost of health care significantly by giving many
14 patients the wrong treatments for them because it was the
15 only thing the insurer would cover.

16 Using CPT to provide best practices guidelines
17 assumes we are all the same. This is an assumption that
18 will continue to increase health care costs in this
19 country until we stop and realize that the way we capture
20 data must change.

21 Finally, we must record some objective
22 measurement of patient outcomes and/or progress at the

1 encounter level to assist the payers with controlling
2 over-utilization. A potential example of how we might do
3 this is as follows:

4 The provider submits a protocol with an
5 estimated number of treatments and specific objective
6 goals;

7 For each subsequent claim, the patient
8 indicates, for instance, on a scale of 1 to 10, his or
9 her perceived rating of the current status of the
10 presenting problem and progress towards treatment goals;

11 The provider enters this patient rating on one
12 of the open fields on the current HCFA 1500 form;

13 That we begin the coding of innovative
14 treatments by starting with HCFA and the HCPCS level and
15 then adopt codes into CPT as their meaning and
16 utilization are studied.

17 This gives the insurers time to update their
18 systems and provide for education in the use of these new
19 codes and speeds up the amount of time it will take to
20 get these new codes accepted by CPT or the American
21 Medical Association.

22 I believe we should not try to replace CPT, but

1 instead to enhance its use and provide a bridge for
2 consumers to access therapies that cannot be coded
3 legally today.

4 If no progress is being made or no improvement
5 is shown, which is patient-reported, then the patient
6 would be switched to a new treatment plan. This approach
7 allows all of us to choose the kinds of treatments we
8 want to receive, patients and providers to collaborate on
9 treatment options, providers to responsibly innovate in
10 the treatments they offer patients, and payers to control
11 costs; all better than we are now.

12 Waste is minimized, and administrative costs
13 are slashed because providers no longer must generate
14 huge volumes of paperwork to convince payers to consider
15 coverage for innovative treatments.

16 Health services research at the patient
17 encounter level provides a valuable real-world
18 corroboration of the results of randomized controlled
19 trials.

20 It measures the appropriateness and the outcome
21 of treatment plans to which both the patient and the
22 provider have agreed, with which both can willingly

1 comply and which improves the odds of a positive outcome.

2 Best practices are only best for those patients
3 who respond best to them. The rigidity with which we are
4 now managing care puts physicians into ethical quandaries
5 and puts patients into the predicament where they are
6 receiving the wrong treatment plan for them because that
7 is what their insurance company covers.

8 Thank you.

9 DR. GORDON: Thank you very much.

10 Wayne Sickels.

11 **Presenter: Wayne O. Sickels, M.T.S., M.Div.**

12 MR. SICKELS: Members of the Commission, thank
13 you, first of all, for inviting me to come to speak with
14 you today. This morning I am not trying to represent any
15 group or organization. I offer only my personal
16 viewpoint and experience, a view from below, in the
17 trenches of a fast-growing, young, and ancient
18 profession, after 16 years of practice and teaching in
19 the field of therapeutic massage and bodywork.

20 My primary concerns focus on what may be lost
21 in the complete absorption of manual/manipulative
22 therapies, somatic or body-oriented education and

1 facilitation methods, into the belly of modern medicine
2 and the mainstream health care payment and delivery
3 system. I also find myself questioning some assumptions
4 about, and motivation for, getting into the health care
5 payment and delivery system.

6 When I teach massage therapists, I teach that
7 there are two kinds of touch, procedural touch and
8 expressive touch. Many of my own clients implicitly know
9 this difference and come to me precisely because I am
10 very conscious of the difference and I am skilled at
11 doing both.

12 Professional therapeutic massage, when most
13 effectively and ethically applied, marries the two. The
14 health care payment and delivery system only recognizes
15 the procedural form and application.

16 I have come to recognize that much of the
17 potency and value of what I do comes from the fact that I
18 work with people, and not on them or pieces of their
19 anatomy, and that this is true no matter the technique
20 used or outcome sought. I believe that this is precisely
21 the alternative that the lions' share of people who seek
22 our services find so complementary with or without

1 reimbursement.

2 I worked in a doctor's Physical Medicine and
3 Rehabilitation office alongside a physical therapist
4 early in my practice. Cases involving auto accidents,
5 falls, cervical strains, herniated discs, and chronic
6 pain would be sent to me to work on the neuromuscular and
7 myofascial components of their painful and guarded
8 conditions.

9 When I left the doctor's practice for my own,
10 the physical therapist wanted desperately to know what
11 was it that I had been doing to the patients that I had
12 seen, what techniques was it that I was using, so that
13 she could perhaps go and learn them, too.

14 I had to honestly say to myself and to this
15 colleague that if there was anything consistent and
16 identifiable about the time that I spent with these
17 people, that it was not the application of a particular
18 manual protocol or technique, rather, it was the quality
19 of the time that I spent with them, listening carefully
20 to their stories and experience both with my ears and
21 with my hands, validating and supporting them in their
22 process of letting go gradually of their holding,

1 guarding, and fear.

2 I helped them become aware of what they were
3 doing and choices that they might have. Various massage
4 and neuromuscular protocols, which were always carefully
5 recorded for tracking patient progress and keeping the
6 treatment record, were the platform and excuse for them
7 to receive safe, responsive, intelligent, caring touch.

8 These skills cannot be learned from books,
9 published studies, and the hard sciences. These are the
10 softer arts, and they, like expressive-type touching and
11 exquisite sensitivity to boundaries, are mostly set aside
12 in the mainstream health care service industry to make
13 room for the efficiency of procedures.

14 It has also been my experience that perhaps a
15 majority of persons in our culture have largely and
16 sometimes exclusively experienced touch that communicates
17 primarily one of three things: expectation, demand, or
18 threat.

19 This includes much of the touch that passes
20 between persons in private and intimate relationships, as
21 well as the typically procedural type touch provided in
22 medical exams and rehab intervention. I tell my students

1 that for some of their first-time massage clients in
2 particular, it may be the first time in their life in
3 which they experience a quality of touch that does not
4 only express and communicate some form of expectation,
5 demand, or threat.

6 Keep in mind that most procedural touch is
7 focused primarily on the desired outcome but not the
8 person. It breaks, loses or never even establishes real
9 contact with the person, but instead emphasizes the
10 separation, difference, distance, power differential,
11 and, of course, the outcome or goal that is being focused
12 upon.

13 This is quite naturally and often received as a
14 subtle aggression, from a position of power-less-ness and
15 vulnerability - doing something to someone to make them
16 other than they are in that moment.

17 It has been my role, and I suspect the role of
18 numerous other alternative health care professionals to,
19 in Bevis Nathan's terms, "counteract the level of
20 vulnerability conferred upon the patient by the curative
21 processes and associated technical administrations."

22 The demands of the health care system as it is

1 currently structured and oriented will lend even more
2 momentum to a tendency I already see within my profession
3 as it grows and seeks mainstream legitimacy.

4 That is to focus primarily, and often
5 exclusively, on techniques and theory for the application
6 of those tools in fixing and curing presenting problems,
7 just like the physical therapist whose entire focus and
8 only question was what technique had I used, what had I
9 been doing to the patients that we had both been seeing.

10 With the theory comes research justification
11 sought and framed within a mechanistic medical model,
12 expressed only in the language of physiology. Meanwhile,
13 contact with the interpersonal, expressive, and
14 phenomenological qualities of the interaction and skill
15 development in observing and relating in this regard,
16 fall to the back of the curriculum, or off of it
17 entirely.

18 So, we learn techniques to help and fix, things
19 we do to someone for them, with less focus given to
20 teaching or developing the skills of presence, attention,
21 listening to, being with and educating.

22 Techniques are then strung together into

1 protocols and procedures used on anatomy, no longer
2 persons, by health care providers, including massage
3 therapists.

4 Nathan points out that, "Holding, rocking,
5 rubbing and stroking touches are procedurised versions of
6 expressive touch forms."

7 While we ascribe physiological rationales to
8 our techniques in an attempt to become or remain
9 scientifically acceptable and to gain access to the
10 mainstream medical reimbursement system, we must continue
11 to recognize, as Nathan puts it, that our "therapeutic
12 pedigree is rooted in primitive and instinctive healing
13 behavior of the expressive touch variety."

14 We cannot expect all our answers and
15 justifications to come from the language of anatomy and
16 physiology. Nathan suggests that in fact, "We may have
17 become over-reliant upon a small physiology section of a
18 very large library of the human constitution. An answer
19 may instead arise in terms of the meaning of a caress,
20 rather than the physics of it. The meaning of a touch to
21 an individual is a far subtler notion than is the mere
22 stimulation of a postural reflex pattern."

1 How do we quantify, control, and/or reimburse
2 for the meaning someone makes of an interaction during a
3 carefully and ethically contained therapeutic session?

4 I support and encourage integration, coverage,
5 and reimbursement for the minority of persons who really
6 need alternative and adjunctive services such as massage
7 therapy, and cannot afford to pay for them. But my
8 experience is that this is only the case for a small
9 minority of persons who actually seek and use our
10 services.

11 The most common application and use of massage
12 therapy does not meet the "medically necessary" criterion
13 for coverage. This is not to deny the validity and value
14 of forms of medical massage, some of which I am trained
15 in, for those who truly need it, provided for and
16 reimbursed by the system.

17 What is more in question is the limiting
18 definition and control of these and other alternative
19 care services through integration, in a way that
20 compromises some of their essential ingredients and
21 redirects some of their most creative focus and gifts, in
22 effect limiting both quality and access.

1 These essentials for massage therapy and
2 somatic education lie in the area of expressive contact
3 and presence, strategic, responsive, interpersonal
4 interaction focused on the whole person. They also lie
5 in exquisite attention given to boundaries and to a
6 person's physical and emotional responses to the
7 caregiver's presence, pace, contact, and intervention
8 strategy.

9 It has also been my observation that quick and
10 uncritical allegiance to the "benefits of access" to the
11 health care payment and delivery system has often had
12 more to do with the profession's and professional's
13 access to, and control of, market share, than the real
14 interests and needs of patients and clients in their
15 pursuit of resources for health and healing.

16 Many therapists are sold on the idea of
17 becoming a "preferred provider" and gaining (the
18 assumption and packaging says) easier access to more
19 clients as referrals are provided you through the
20 network.

21 Meanwhile, many have little awareness of the
22 implications to their practice, time and attention, and

1 their possible dependency upon and costs of securing this
2 effortless marketing and referral source.

3 I look forward to learning more from the
4 perspectives and understanding of many of those, and many
5 of you here, who have a different view and experience.
6 These are interesting times in the world of alternative
7 and complementary care.

8 I once again thank you for this opportunity to
9 offer my simple and personal perspective.

10 Thank you.

11 DR. GORDON: Thank you very much and especially
12 for the articulation of much of the spirit of the work
13 that all of us do.

14 Panel Discussion

15 DR. GORDON: I would like to ask the first
16 question while the commissioners collect their thoughts,
17 maybe to set the stage, as well.

18 Given the kind of the spirit of care that Wayne
19 Sickels was talking about, what are each of your best
20 recommendations, Melinna and Linda, both of you working
21 on coding in different ways, what kind of recommendations
22 would you make to us to recommend for making the kinds of

1 changes that will accommodate a truly integrative
2 practice and this kind of spirit of care?

3 MS. GIANNINNI: I think that one of the things
4 that can happen to make this process so -- right now it
5 is very time-consuming and it is taking up 51 days
6 average for practitioners who are filing paper claims to
7 insurance companies to get paid at a cost of over \$20 a
8 claim.

9 I think that if you can take the paperwork
10 burdens down, for instance, if Wayne was given a super
11 bill that he could just check off the services that he
12 had just done at the end of his session, that would make
13 his life easier and maybe wouldn't focus his attention on
14 his reimbursement to the point that he couldn't focus on
15 the patient.

16 I think that reducing paperwork burdens is
17 incredibly necessary if CAM providers are going to
18 participate in insurance reimbursement, and accurate
19 descriptions of what was actually done are very necessary
20 to receive the appropriate reimbursement.

21 So, I think a very large terminology of massage
22 therapy services needs to be available to Wayne to choose

1 from, so that it is an effortless process on his part to
2 just check off what he has just done.

3 DR. GORDON: But what recommendation should we
4 make? We are a body working at the federal level. What
5 and to whom?

6 MS. GIANNINNI: The "to whom" is the Secretary
7 of the Department of Health and Human Services, Tommy
8 Thompson, and the "what" is the appropriate language
9 terminology and code set for filing those services.

10 DR. GORDON: Linda.

11 MS. BEDELL-LOGAN: I think that to a large
12 degree, from owning a billing company for 12 years that
13 does nothing but file claims for alternative
14 practitioners and integrative medicine centers, I don't
15 think we are ever really going to capture the spirit of
16 what happens in a patient encounter in a code. I think
17 that that is not going to happen.

18 But I think that what we can do is we can look
19 at the therapeutic benefit of that. When the RB/RBS
20 system was created, it took into consideration the level
21 of liability, the level of overhead, and the level of
22 expertise that it takes to provide any given service, so

1 we have a code for massage in the CPT code book, and so
2 massage therapists go to that book, and if it is not
3 strictly massage that they are doing, we also have a
4 manual therapy's code, which is the code that includes
5 manual lymphatic drainage and other important manual
6 therapy techniques.

7 Although we can't always capture the spirit of
8 that in those codes, what we can do is -- and this is
9 where the stick happens -- is were those codes put in the
10 CPT code book for the purposes of physical therapists
11 using them, or were those codes put in the CPT code book
12 for any provider who is appropriately trained to perform
13 those services to use them.

14 What happened in the State of Maine, which was
15 sort of a precedent-setting process, is that the Worker's
16 Comp Board said, in 1992, we are going to pay alternative
17 therapists half of the RB/RBS system that has been
18 attached to the CPT codes in the CPT code book.

19 We went to them as a group, and I put a very
20 large report in to the Attorney General's Office, and I
21 said this has already been taken into consideration in
22 the RB/RBS system, why is it that a massage therapist

1 performing massage is taking on any less liability or
2 less expertise than a physician who is performing
3 massage. Those are things already taken into
4 consideration.

5 So, the answer from the Attorney General's
6 Office was to go back to the Worker's Comp insurance
7 companies and make them pay back all the 50 percent that
8 they had withheld from those providers over a two and a
9 half year period.

10 So, I think that that is a very important part
11 to remember, is that it is not only the fact that we do
12 have a lot of these codes available to us, it is who can
13 use them that has become the problem, and that is because
14 those codes were developed by the American Medical
15 Association, and they don't always embrace some of the
16 outside therapies.

17 I think that what is happening is that expanded
18 use of those CPT codes for other providers is going to
19 allow us to today get people care who need alternative
20 care as long as those codes are being accepted by
21 insurance companies, which they are, and we wouldn't be
22 alive today if we weren't getting reimbursed.

1 DR. GORDON: Again, that would be a
2 recommendation to the Secretary of Health and Human
3 Services?

4 MS. BEDELL-LOGAN: To expand CPT, not only from
5 a coding perspective, but who is allowed to use those
6 codes.

7 DR. GORDON: Wayne, do you have any thoughts?

8 MR. SICKELS: I first want to just thank you,
9 Linda, for some other perspective that you are offering.
10 As I said at the very beginning, my perspective here is
11 much more personal just from my own time in practice, all
12 of which has been outside the system of medical health
13 care and reimbursement, so there is a lot that I can
14 learn and need to learn in terms of how the system might
15 work that can be to our benefit.

16 So, I don't really have a solution on that
17 level of, you know, from the top down. I can only say
18 what it is that I do personally to address the issue of
19 access for people who cannot afford services that I
20 provide, and that is twofold, one thing that many people
21 do, which is pro bono work. The other is I always keep a
22 fair percentage of my practice in sliding scale, so if

1 somebody does come to see me looking for resources, and
2 they find that what I do is particularly helpful, they
3 need it, they want it, and they are motivated to learn
4 and do what they can, then, I will slide my scale to
5 whatever their budget can afford. I do that consistently
6 and persistently, but obviously, that does not address
7 the system and how to organize the system. That just has
8 been my personal choice.

9 So, in some sense, I need to be hearing and
10 learning more from people, such as Linda, who have access
11 to more of the technical components of how the system
12 works and how it might work better.

13 DR. GORDON: Also, I would say I appreciate,
14 speaking from the practitioner's point of view, in a
15 sense what you are saying is even though you have
16 concerns about it, it may be possible, and in certain
17 instances does make sense, for you to be included in the
18 system, if the system can't capture the spirit, but
19 perhaps can accommodate the spirit.

20 MR. SICKELS: Yes.

21 MS. GIANNINNI: Could I respond again, too,
22 please. There are so many levels of training of massage

1 therapists, for instance, 500 hours is a minimum usually
2 in any state to get a massage therapist license, up to
3 2,500 hours for the practitioners who are trained to do
4 Rolfing structural integration and Feldenkrais.

5 What was needed in my opinion was a tie to the
6 training by code level to show that payment needs to be
7 higher for the people with more education, so this coding
8 system allows for that difference in training to that
9 level of specificity.

10 DR. GORDON: Thank you. Tom and Joe and Don.

11 MR. CHAPPELL: Thank you all so much. It was
12 an enlightening presentation.

13 Wayne, could I ask you whether the patient
14 requires more time or more services for your intent with
15 expressive touch versus procedural touch?

16 MR. SICKELS: A very good question. Nobody has
17 studied me in that regard except for myself.

18 MR. CHAPPELL: Well, let's assume I am the
19 third-party payer here, and I want to know.

20 MR. SICKELS: I guess the only context in which
21 I can really kind of accurately relate to that question
22 is the period of time that I worked in the physician's

1 office where the time was time limited, and people would
2 move across the hall from the PT to me or from me to the
3 PT, and the period was limited by how long they were
4 going to get coverage for their medical treatment.

5 In that context, what I certainly can say is
6 that the physical therapist and the doctor were surprised
7 by what was -- it was the reason why the physical
8 therapist was asking me what is it that you are doing
9 with these people.

10 So, even within that rather limited container,
11 actually quite limited because I do a good bit more in my
12 own private practice, there was effective space for that
13 quality of contact. What there wasn't was the language.
14 That is why I had to respond to that physical therapist's
15 question the way I did. There was not a technique or
16 protocol that I could consistently say was what it was.

17 So, that is part of the issue is how can we, as
18 we integrate, find ways to hold and contain and value
19 that way of defining space with someone and interacting
20 with someone that isn't purely technique protocol
21 oriented, because it simply can't contain it. But in
22 terms of time, certainly, I can do an enormous amount in

1 the 20 minutes to half an hour that I might have with
2 somebody, and the patients experience that because they
3 were attended to in a very different way when they
4 crossed the hall to do their exercise protocol and
5 ultrasound.

6 MR. CHAPPELL: So, you are differentiating your
7 service from another provider, you are not
8 differentiating the amount of time.

9 MR. SICKELS: I would say that is true.

10 MR. CHAPPELL: And you are differentiating the
11 result as a more holistic result, but for the reimbursing,
12 the minimum baseline result is achieved.

13 MR. SICKELS: I would expect, yes.

14 MR. CHAPPELL: So, I don't see why integration
15 isn't possible.

16 MR. SICKELS: Oh, I don't know that it is not
17 possible. I just have a lot of concerns about the nature
18 of it.

19 MR. CHAPPELL: I am thinking to myself, I am
20 asking myself, so it seems to me it is doable rather than
21 your staying outside the system. Thank you.

22 DR. GORDON: Joe.

1 DR. PIZZORNO: Wayne, thank you for your
2 eloquent and inspirational presentation, very much
3 appreciated.

4 Forgive me, Jim, I have to ask two questions.
5 This is for Melinna and Linda.

6 One is, Melinna, when I first heard about your
7 system, what you were doing, I was very supportive of it,
8 but when I started talking to practitioners, I got a very
9 negative response from the practitioners, and that is,
10 they were afraid that if their procedures were
11 differentiated from conventional medical procedures, they
12 would be ghettoized and that they would see a progressive
13 eroding on their reimbursement system.

14 So, I would like to ask both of you to respond
15 to that concern.

16 The second question is you both seem to have a
17 somewhat different approach, but what we are wondering is
18 if there is some way of combining what you are doing
19 together to get something that will be even more
20 effective, so I would appreciate it if you would both
21 comment on both of those questions.

22 MS. BEDELL-LOGAN: My feeling about Melinna's

1 work is that it would be an absolute crime to see it not
2 used in the enhancement of CPT, HCPCS codes, whatever we
3 do. I have seen her work, and it is absolutely
4 impeccable.

5 However, from a billing company standpoint, if
6 I am sending out HCFA 1500 forms with Melinna's codes on
7 them, no insurance company will look at them or pay them,
8 and so I can't use them, but that does not mean they
9 don't have incredible value to what could be an expansion
10 that would allow us to collect better data and to
11 objectify services on a more personal level to the
12 provider.

13 So, what we have is we have, you know, a
14 massage code, a manual therapies code, but there is no
15 code that says this is being delivered by a Feldenkrais
16 practitioner or this is Rolfing or this is this other
17 thing, and truthfully, I don't know that that is
18 necessary.

19 I truly believe that the patient encounter is
20 the most important thing here, and if what we are trying
21 to do is show the insurance company that manual therapy
22 is being done, then, manual therapy is being done, and I

1 think that if the patient and the provider have the
2 ability to sit down and corroborate on that plan of care,
3 this is the way Worker's Comp works.

4 It is interesting, really being adopted very
5 much in managed care. In the State of Maine, we have had
6 an incredible cost savings in Worker's Comp since they
7 were able to pay for acupuncture, massage therapy,
8 biofeedback, mind-body interventions, and they are doing
9 beautifully at getting people back to work much sooner
10 than taking them through the pharmaceutical, take
11 feostat, take all of these other drugs, that then they
12 end up in rehab because they are addicted to those drugs.

13 So, what we are looking for is just some more
14 tools to put ourselves in a position where we can code
15 more articulately, and I believe that is where Melinna
16 has an incredibly valuable thing that we could use as a
17 growth into integrative medicine, but taking CPT away,
18 there has been billions of dollars spent on the building
19 of the CPT code book, and I feel very uncomfortable with
20 saying swipe it away and let's do it something else. To
21 me, that is creating a cavern and not a bridge.

22 DR. GORDON: Joe, let me interrupt for a

1 second. Could you clarify what the practitioners were so
2 concerned about?

3 DR. PIZZORNO: The concern of the practitioners
4 is that if they provide a service that is coded
5 separately from what is provided by conventional
6 practitioners, then, they will see an erosion of
7 reimbursement, because they will be set into a lesser
8 category, you know, the same service, but differentiated
9 differently, paid less.

10 DR. GORDON: Thank you.

11 DR. PIZZORNO: And you didn't answer that part
12 of the question.

13 MS. BEDELL-LOGAN: What I was talking about
14 earlier, about the RB/RBS system already being set up to
15 look at those three indicators, which are the level of
16 expertise, the level of overhead, and the level of
17 liability, the RB/RBS system, as it exists and is
18 attached to the CPT coding system, works beautifully for
19 alternative medicine providers.

20 That is what we use to bill, we use the RB/RBS
21 system in any given state that we bill in, and it works
22 beautifully, and that is how those practitioners are

1 paid, whether it is an M.D. performing the service, a
2 licensed acupuncturist.

3 I have had many M.D. acupuncturists come to me
4 and say I should be making \$200 an hour because I am an
5 M.D. doing acupuncture, but why should that mean a
6 licensed acupuncturist, who went to school for six years,
7 should not also be making \$200 an hour, because it is the
8 same level of liability and the same level of expertise
9 and the same level of overhead.

10 So, it is important to remember that that
11 RB/RBS system has already taken those things into
12 consideration, and that therefore, they are usable across
13 the board.

14 MS. GIANNINNI: I agree that the RB/RBS system
15 is the most broadly used pricing mechanism out there, and
16 these codes have RB/RBS values attached to them under the
17 same theory of costing that conventional medical codes
18 from CPT have.

19 Dr. Pizzorno, I have heard the pain of the
20 practitioners, and I really do believe that talking about
21 coding and reimbursement is as much fun for most
22 practitioners as chewing on kitty litter, so it has

1 always been a challenge to get them to understand that
2 this is not something that they need to be afraid of.

3 We have gone to the American Medical
4 Association at least three times, maybe four, asking to
5 cooperate with them to add these terms into the CPT
6 system, and that has not resulted in anything happening.

7 The HCPCS from the federal government that are
8 controlled by HCFA have been much more open to this
9 coding system, and realize that there are many code sets
10 out there to support health care.

11 There is dental codes for dentists, there is
12 drug codes for drugs, there is HCPCS Level 2 codes that
13 are used by the federal government to support things that
14 are inside of shots, J codes are used to describe things
15 that are distributed to people as medications, so there
16 is more than one code set out there.

17 The American Medical Association having control
18 of alternative medicine, in my opinion humbly, is like
19 giving Ford control of GM parts and services. There is
20 only four codes for chiropractic after 20 years of
21 chiropractic visits being paid for by insurance
22 companies, two for acupuncture, and the two acupuncture

1 codes are acupuncture and electrical acupuncture, which
2 is like saying surgery and minor surgery. You cannot put
3 a price on either of those codes, therefore, there is no
4 data.

5 The other thing about having a parallel coding
6 system with a different structure is when you merge all
7 of that data together in CPT, you cannot call out which
8 provider is giving you the service. When you get into
9 meta data, it is all thrown into a big pot together, how
10 do you call out who is giving you the best results for
11 carpal tunnel syndrome.

12 With a unique coding system that also describes
13 the practitioner filing the service as either an
14 acupuncturist or a massage therapist, this coding system
15 is a little bit unique because the modifier tells the
16 computer who is filing the service.

17 It fits onto the HCFA 1500, it is business as
18 usual, but this coding system calls out who is filing the
19 service, and it is not going to be discriminated against
20 the provider price-wise because in order for that to
21 happen, the payer would have to redesign his payment
22 system, and he would also have to go to battle with the

1 practitioners over the RB/RBS system.

2 I hope that answered the questions.

3 DR. GORDON: Thank you. I would like to ask
4 Linda for any of the cost savings data that you have,
5 and, Melinna, if you could provide us with your coding
6 system, so we can try to understand it.

7 MS. GIANNINNI: I left that with the
8 Commission, and I will make sure as many books are given
9 out as are needed. Just tell me afterwards who would
10 like to review them.

11 DR. GORDON: We would all like it. I don't
12 think we have a copy of it. Do we? Okay, great. Thank
13 you very much.

14 Don, you are next.

15 DR. WARREN: Melinna, you talked about ABC
16 codes supporting state licensure. Dentists doing TMJ
17 cross code a lot. They go from dental to medical to
18 physical therapy.

19 Do you see in this cross-coding and everything,
20 do you see code stacking to increase the payments?

21 MS. GIANNINNI: I think that there is logic to
22 payment systems that will prohibit practitioners from

1 abusing the system, such as if a practitioner starts
2 exceeding an hourly rate that is kind of standard in the
3 industry for, let's say, an acupuncturist is usually
4 making \$135 an hour -- this is picking a number out of
5 the air -- but if they are billing starts exceeding that
6 hourly rate, I think that there is checks and balances
7 inside of payment systems that would catch that if it was
8 going on a lot. So, I don't see that as a problem.

9 As to the state, can you help me with your
10 question on the state scope of practice?

11 DR. WARREN: This new coding, would it preclude
12 a dentist from doing physical therapy?

13 MS. GIANNINNI: Not if he was trained. The
14 thing is if you will get procedures down on a code level
15 very specific, such as reflexology, it doesn't matter if
16 you are an acupuncturist or a massage therapist or a
17 dentist doing reflexology, because there is a training
18 standard in this coding system attached to each one of
19 those codes.

20 So, all you have to do when you are paying for
21 a service is if the provider is in a managed care
22 network, you look for that training, you look for the

1 certification, and then the code should sail through.

2 DR. WARREN: One of the things that bothers me,
3 Linda, about a massage is a massage is a massage, is that
4 it is not true.

5 MS. BEDELL-LOGAN: No.

6 DR. WARREN: And a physical therapy treatment
7 is a physical therapy treatment, it is not true.

8 MS. BEDELL-LOGAN: No.

9 DR. WARREN: You have various gradations of
10 expertise. To say a massage therapist that is sensitive
11 to the patient, that works with the patient, they are out
12 there. They get paid the same as somebody that comes in
13 there as a mechanic, you know. I would rather have
14 somebody work with me than work on me, and there has to
15 be a differential in coding for that.

16 To obtain that essence with the CPT codes, it
17 looks like you have to stack. To get it with this, at
18 least you say all Feldenkrais reps are all Feldenkrais or
19 all Rolfers are Rolfers, and all Feldenkrais are
20 Feldenkrais. Then, it gives you a differentiation as to
21 at least the level, and I think we need to incorporate
22 that somewhere in that coding.

1 MS. BEDELL-LOGAN: Right. Right now the way
2 that we use the CPT codes in providing -- because you
3 have to remember that my purpose for being here is that
4 we are dealing with a situation right this minute, every
5 single day, where providers are seeing patients in an
6 alternative medicine world, and we provide the license
7 number of the provider performing the service in Box
8 24(k) of the HCFA form, so that when the service goes
9 out, whether it is in an integrative model or as a
10 private practice, in Box 24(k) is the state license
11 number of the person performing the service.

12 So, at least you know, you know, when that
13 claim comes through, that the person who is providing the
14 service is licensed to do so. As I said in my testimony,
15 I believe that the AMA has fallen very short of giving us
16 a comprehensive coding package, and I really believe that
17 they need to be working more closely with Melinna.

18 It is just that there is a lot of ownership
19 issues. There is a huge amount of money in the sale of
20 CPT to insurance companies and to providers, it is a
21 huge, huge revenue stream, and a lot of this is about
22 that.

1 DR. WARREN: That is the way the ADA keeps
2 making money, they keep changing the code every three or
3 four years.

4 MS. BEDELL-LOGAN: That is exactly right.

5 DR. GORDON: Tieraona, Charlotte, and Wayne,
6 and then we have to move along a little bit because we
7 are running some over time.

8 DR. LOW DOG: I want to thank you all for your
9 presentations. As somebody who runs an integrative
10 medical center, I can tell you I am very sensitive to
11 these CPT codes.

12 Wayne brought up some interesting points that
13 we have heard previously in this commission about a lot
14 of CAM providers not really wanting to opt into the
15 system, and actually a lot of Western providers wanting
16 to opt out of the system that they themselves see as
17 somewhat restrictive.

18 I am struck by the need to have both, so that
19 these services that actually have been proven efficacious
20 are available to people who are underinsured, uninsured,
21 or Medicare and Medicaid, who actually can benefit from
22 massage and many of these other therapies.

1 I am somewhat dumbfounded, though, by the
2 concept that somehow we can code for quality, because I
3 don't think you can code for quality, and I don't think
4 that quality or compassion or expressive touch is unique
5 to any particular profession. I think that there are
6 doctors who are very expressive, loving, and
7 compassionate, just as massage therapists.

8 So, I guess I would like to hear, Wayne, just a
9 little more about this expressive touch, procedure touch,
10 coding, opting in, opting out as far as policies and what
11 we recommend, because partly what we are trying to do is
12 figure out reimbursement, and we are trying to figure out
13 delivery and access, and these kinds of issues, and do
14 you have any advice for policy recommendations, taking
15 into account the point of practitioners who are reluctant
16 to get into a system that they see as having a lot of
17 problems.

18 MR. SICKELS: Well, again, I find myself almost
19 needing to sit and listen a good bit more in order to be
20 able to come forward with something in the form of a
21 policy recommendation because the world that I have been
22 in is the world that you just described, as someone

1 outside the system who has essentially been concerned
2 then and resisted even the contracts that I have received
3 in recent years to become a preferred provider.

4 I hope, and I am open to all of the dialogue
5 that I am hearing here, and within my own professional
6 organization, that we can have both, people who opt in
7 and can find appropriate ways to make a living and
8 provide competent, quality care, and those who choose not
9 to operate within the system and are not eliminated
10 because the integration of the profession into the system
11 makes it impossible for anybody to keep a viable private
12 practice outside of it, but I have to admit I don't know
13 how that would be structured. That would certainly be my
14 desire.

15 MS. BEDELL-LOGAN: May I make a comment on
16 that? The way that we have structured some of these
17 integrative medicine centers do do that very thing that
18 you are taking about, is that we have structured them as
19 chronic disease management centers and wellness centers
20 under the same roof, so that patients who want to come,
21 who had a lousy day at work, can get a massage, can come
22 and pad a pocket and not go through the hassle of all of

1 the HCFA 1500 forms, but people who have fallen down the
2 stairs at home and have chronic low back pain can go and
3 get a therapeutic massage or therapeutic body-work from
4 somebody and have that reimbursed by insurance because
5 they have a diagnosis that indicates that they need a
6 treatment, which is very different than the wellness
7 model.

8 Now, one of the things the insurance companies
9 have really liked about that model is that as patients
10 reach maximum medical improvement, they are referred to
11 the wellness center. What that does is it keeps that
12 patient at maximum medical improvement for a longer
13 period of time than just sending them home and having
14 them fall right back into the same lifestyle that they
15 were doing before, which is probably not exercising
16 properly, not eating properly.

17 So, what we do is we sort of, if you will, send
18 the sick bill to the health care system and send the well
19 bill to the patient, and it really is a wonderful way of
20 splitting that out, so that the whole financial burden
21 does not fall on the insurance company or the patient, it
22 is a shared responsibility, and I think that is very

1 important to distinguish in a center.

2 DR. LOW DOG: Thank you.

3 MR. SICKELS: That was very clear, what she
4 said.

5 [Laughter.]

6 MR. SICKELS: Because that is how my practice
7 now operates. I get a lot of referrals from
8 chiropractors, physical therapists, physiatrists. When a
9 person is finished with their round of rehab or therapy
10 that is under coverage, and they know that there is some
11 more that can be done in terms of a person's ongoing
12 wellness, education, and support, and that is a lot of
13 what I do.

14 DR. GORDON: Charlotte.

15 SISTER KERR: I am with the kitty litter-
16 grinding crowd. I actually feel anxious talking about
17 this subject. I feel like I have some kind of code
18 anxiety syndrome.

19 DR. GORDON: Code dependent.

20 SISTER KERR: But, if anything, in this whole
21 being on the commission, maybe today will be helpful to
22 me. There is something about me. In my every-day work,

1 I work as an acupuncturist, and I never quite feel like I
2 am telling the truth when I deal with codes.

3 MS. BEDELL-LOGAN: You are not.

4 SISTER KERR: And having this part of me that
5 wants to tell the truth about what is so, I go through
6 this grind. I want to give you -- and I know we are
7 limited on time -- a person I saw just the other day, a
8 young girl, 33, with pain in her calf, and she heard
9 acupuncture helps pain. Of course, it can do that, but I
10 looked at her and I do a very thorough history,
11 everything about her is important to me.

12 She had other Western labels like Reynaud's.
13 She didn't come in for that. She had labels like
14 allergic rhinitis, dysmenorrhea, history of kidney
15 stones, fragile hair, she craved salt, just to mention a
16 few.

17 From my point of view, I saw this issue as a
18 deficiency in this chi, and that very simple things like
19 the reason she was so worried about her leg is she
20 couldn't run anymore, and she was a runner. Her body,
21 mind knew she needed to run to move to keep the chi
22 going, which would solve things like dysmenorrhea from

1 our point of view, get the fire for things we call
2 Reynaud's, and even on this level of being a severe
3 introvert, she lost her community of buddies. Do you
4 see?

5 Now, I know if I have a diagnosis of things
6 like Reynaud's, allergic rhinitis, I can label those, and
7 those are probably likable codes, you know, they are
8 going to like to fund that, and she is going to be
9 surprised that that gets better.

10 But I have to tell you it is nothing about the
11 truth about what is going on, and it goes back in this
12 forum to the whole issue of research, and you say they
13 gave codes for acupuncture, so that conversation is over.
14 I have no idea what we are ever going to do about that,
15 and I would love your input.

16 MS. GIANNINNI: I am going to jump in because I
17 have been thinking about this one a lot. The
18 International Classification of Diseases, ICD-9, Ninth
19 Edition, is developed by the World Health Care
20 Organization, not coders here in the United States. They
21 are clinically modified for morbidity, they were for
22 mortality, they are modified for morbidity in the United

1 States.

2 I have suggested to all of the national
3 acupuncture associations that they go to the World Health
4 Care Organization and build appropriate ICD-9 codes for
5 acupuncture diagnosis, because no, they are not listed in
6 the current body of information, and certainly a lot of
7 the world is using acupuncture, and that needs to be
8 resolved.

9 So, if this commission could take a
10 recommendation that would be really meaningful, not to
11 just the United States, but to the world, it would be
12 that the World Health Care Organization support
13 diagnostic tools for acupuncture.

14 MS. BEDELL-LOGAN: The way that we have done
15 our billing piece with what you are talking about is that
16 the 977.80 and the 977.81 doesn't give you very many
17 tools to objectify the services that you render.

18 So, what we do is when we put on, they are
19 super-billed together, so that they can check off the
20 services that they have rendered, it is 977.80 MO, which
21 is moxibustion, or it is cupping, or it is needling, or
22 it is electrical stimulation, or whatever it is, but we

1 actually track that at the billing company level, and
2 when we bill it, the insurance company, to be perfectly
3 honest with you, and I have heard this from many
4 insurers, they don't care whether they are getting
5 cupping, moxibustion, what they are doing.

6 They only care that the person is receiving
7 acupuncture for what they feel is an efficacious reason,
8 whether it be dental pain, the NIH consensus information,
9 whatever that is, but that the care is appropriate.

10 But from a data collection standpoint, if you
11 are not showing the difference between moxibustion,
12 cupping, needling, electrical stimulation, you are not
13 allowing yourself to even define best practices within
14 your own practice.

15 So, there can be ways to enhance your own data
16 without bombarding the big system. It depends on what
17 you want to get out of coding. If what you want to get
18 out of coding is best practices, we have to do it very
19 differently, but if all we are looking for is utilization
20 data, it is a different thing.

21 DR. GORDON: Wayne. I'm sorry, we are already
22 15 minutes over our allotted time, so Wayne has got the

1 last question. Obviously, this is a subject of
2 considerable interest.

3 DR. JONAS: I am not sure, Charlotte, whether
4 you actually had your code and reimbursement anxiety
5 syndrome addressed. I am going to redefine that as CRAS.

6 [Laughter.]

7 DR. JONAS: But is there a code or is there
8 even the possibility of a code for the treatment of
9 chronic disease in general, because what I hear happening
10 often in these conversations is that what we are about
11 when someone walks in the office with a chronic problem
12 is a syndrome that takes multiple forms and that can be
13 addressed using multiple avenues and usually requires
14 that it be addressed using multiple avenues, and that the
15 goal of it is to stimulate reparative self-healing
16 processes, and that this is the most efficient and
17 effective way to treat chronic disease, but we don't have
18 a code for reimbursement for that.

19 It is the flip side of your wellness coin, if
20 you will, except someone just now crosses the diagnostic
21 barrier and gets labeled with something.

22 MS. BEDELL-LOGAN: Exactly.

1 DR. JONAS: But the process is the same.

2 MS. BEDELL-LOGAN: What we have done in the
3 integrative centers, for instance, at the University of
4 Minnesota, the University Medical Center has a mind-body
5 spirit clinic, Mary Jo Kreitzer's clinic and Marge Page,
6 and all of them.

7 It is a really wonderful thing because we were
8 able to take a fibromyalgia program, which includes
9 massage, healing touch, acupuncture, and psychiatric
10 care, and therapeutic exercise in a group level.

11 We were able to take that to Health Partners
12 and say to them here is the code that it is going to look
13 like. It is just a local code, we made it up, here is
14 what we need to get paid for, and we will save you X
15 amount of dollars because these patients aren't going to
16 be running around getting services all over the place
17 from all kinds of people who aren't even really
18 coordinating their own care in the conventional medical
19 sense.

20 But what we have done is we have staged
21 disease, we have staged it as this is Stage I, this is
22 Stage II, this is Stage III, depending on what the onset

1 of that disease was because, as you know, the longer a
2 patient goes with a disease, the harder it is to treat
3 that disease.

4 So, what we have done is stage it, so that we
5 have some people with Stage III fibromyalgia, and maybe
6 that bill to the insurance company is going to be \$2,500
7 for one shot of a whole group of services that are
8 rendered in an integrative manner.

9 However, if somebody comes in with Stage I,
10 there may be an \$800 bill to that insurance company where
11 we are very clear that we can treat Stage I fibromyalgia
12 within an \$800 period, but again, that is one code. It
13 is a local code, we made it up, they took it. So, it is
14 very interesting to see how these things can be worked
15 out on a local and regional level, because every region
16 suffers from different diseases.

17 DR. JONAS: That is a very interesting idea.
18 Perhaps we could come up with eight stages of chronic
19 disease in general and various subcategories, whether it
20 is fibromyalgia or chronic back pain or whatever, and
21 devise some kind of coding system for the management of
22 that depending upon how severe it is.

1 DR. GORDON: We need to close, but I do want to
2 second what Wayne said. Part of what we are looking at
3 is integrative and individualized care, and the more
4 ideas, I don't mean huge numbers, but if you can give us
5 a few good ideas about how to address this and where to
6 address our recommendations, Secretary of Health and
7 Human Services, maybe WHO, about some of these issues,
8 that will be enormously helpful.

9 So, thank you, thank you all very much.

10 [Applause.]

11 DR. GORDON: If the commissioners could sit
12 down, we have the next panel, and it is a panel of one.
13 Welcome, Max Heirich.

14 **Presenter: Max Heirich, Ph.D.**

15 DR. HEIRICH: I am going to have some very
16 specific recommendations to make about how we could
17 develop a CAM reimbursement policy. These
18 recommendations grow out of three levels of experience I
19 have had over the last 25 years.

20 I have been a CAM practitioner and teacher, I
21 have done NIH-funded research, and I have also served as
22 a broader health policy analyst and consultant, and have

1 worked with businesses and unions, and with the staff of
2 various congressional committees and with the Michigan
3 Senate's Health Policy Committee. That consulting has
4 been about ways to develop, to finance, and to evaluate
5 innovative health care delivery that changes the focus
6 for care.

7 I think it is clear that reimbursement policies
8 are going to have a very important influence shaping the
9 future of CAM. They could possibly also have
10 implications for the economic pressure of the country and
11 the effect on health status.

12 It is a moment of unusual opportunity, and I
13 think, as has become clear, it is also a moment that
14 presents some very real dangers. There is inconclusive
15 evidence about the clinical effectiveness of most CAM
16 approaches and real questions that are being raised about
17 whether our present assessment strategies are the
18 appropriate ones to use. There is very little evidence
19 of any kind about costs for CAM and how those affect
20 other utilization of health care services.

21 There are real issues, which we have just
22 heard, about how we protect the integrity of non-

1 allopathic approaches as they become more nearly
2 integrated into the health care system, and there also
3 are issues of social equity.

4 Now, many of us believe in our hearts that if
5 more people in this country would use CAM products and
6 services, our health care would be better and the costs
7 for care would go down.

8 We have to face an awkward moment right now
9 because 40 percent of the public now is using CAM, but
10 we, at present, see absolutely no change in the cost
11 dynamic of constantly increasing care, nor have we seen
12 any change in the dynamic which is leading America to
13 fall constantly on international indicators of the health
14 status of the population.

15 It is not that CAM is doing nothing, it is the
16 usual problem that we have excellent services that go to
17 the majority of the public, while an increasing
18 proportion of the population have no access to care; 42
19 million people have no health insurance. That is an
20 increase of 10 million during the eight-year period when
21 use of CAM increased 30 percent.

22 Now, if we are serious about wanting to make a

1 real change in the health of this country, we are going
2 to have to proceed in some different way.

3 As many of you know, there are at least three
4 strategies that we could use for reimbursement. We can
5 depend on market mechanisms, which has been what most of
6 this conversation has been about, we can mandate
7 insurance reimbursement for CAM treatments that have
8 demonstrated effectiveness or for which there is wide
9 public demand, or we can reimburse through the mechanism
10 of tax relief.

11 Let me say something very briefly about each of
12 these and some of their advantages and disadvantages. It
13 is clear that market mechanisms are working to some
14 extent for the majority of the public right now.
15 Eighteen insurance companies are now offering insurance
16 riders for CAM services, the majority of Blue Cross/Blue
17 Shield companies are exploring this possibility, 65 HMOs
18 offer some services.

19 So, clearly, the market demand is creating a
20 response. It will never cover costs because insurance
21 depends on a number of people not using a service in
22 order for it to break even.

1 We heard in December, as I read your
2 transcripts, testimony from some experts that the present
3 administrative procedures for insurance are likely to
4 increase the cost of CAM services, while decreasing the
5 income that goes to CAM practitioners, so it is a system
6 that works to a certain extent, it is flawed, and the
7 main problem is that it simply does not bring access to
8 the people who are now left out, the market is not going
9 to do that.

10 Well, can mandatory insurance do any better?
11 In an ideal world, any CAM treatment which has
12 demonstrated effectiveness and which costs no more than
13 its alternatives ought to be eligible for reimbursement,
14 and then the reimbursers ought to choose to reimburse
15 those methods that do the best job at the lowest cost.

16 Unfortunately, insurance does not work that
17 way. Any procedure which has been approved for use with
18 a diagnostic code gets reimbursed, and it gets reimbursed
19 no matter what other procedures are in use at the same
20 time.

21 What that means is that if we have mandatory
22 insurance reimbursement for CAM procedures, the use of

1 them is sure to increase, the costs will be added to the
2 larger health care system, but there is absolutely no
3 mechanism in place that then reduces the use of other
4 services.

5 We could be setting in motion another cost
6 escalation dynamic, probably not as great, but rather
7 similar to what happened after Medicare and Medicaid were
8 put in place. In that situation, the costs for care
9 increased 400 percent in five years. We want to be
10 careful about how we proceed there.

11 But what about tax relief? We could give tax
12 relief to the users of services, and we could do that
13 simply by allowing medical expense deductions and IRS
14 1040, we could give tax relief to providers of care by
15 allowing charitable contributions credit for pro bono
16 services or sliding scale fees, or we could provide tax
17 credit to the third-party payers, and that could be
18 performance based. I will come back and talk about that
19 a little bit more.

20 I have five very specific proposals to make
21 about how we might proceed. In choosing them, as I
22 thought about the variety of possibilities, I used four

1 principles.

2 The first principle was that any CAM procedure
3 of demonstrated clinical effectiveness that doesn't cost
4 more than other procedures really ought to be eligible
5 for reimbursement.

6 The second principle that I felt important was
7 that we want to encourage use of other CAM procedures
8 that can improve health, but we probably should not
9 encourage them through the insurance system, because if
10 we do that, it will simply increase the costs for care,
11 and I will get to the implications of that in a moment.

12 The third principle I tried to bear in mind was
13 that I thought we should have as little regulation of
14 either providers or insurers as is practical within the
15 problems of protecting the public.

16 Finally, and this comes from my health policy
17 side rather than my CAM side, we have to be sure that
18 whatever we do does not shift insurance risk pools in
19 ways that raise the cost of insurance and leaves still
20 more Americans without basic health care coverage.

21 So, with those in mind, and with the
22 realization of how limited our state of evidence is at

1 the moment, I would like to recommend that we proceed in
2 stages, that, first of all -- and this will be my first
3 proposal -- I think Congress could instruct NIH and AHRQ
4 to create a website that will bring together the full
5 range of evidence that will be relevant for decisions
6 about CAM.

7 This would include not only clinical trial
8 results from NIH, but peer-reviewed journals, studies of
9 the effectiveness of various CAM approaches, whatever
10 cost data is available. We need to gather systematic
11 evidence about larger use of health services by those who
12 use CAM, and that needs to be available on this site.

13 It needs to be updated on an ongoing basis, and
14 it needs to be regularly drawn to the attention of those
15 who could use it most fruitfully: the insurers;
16 providers; continuing medical education groups; managed
17 care plans; and the like. So, that is my first proposal.

18 Secondly, I think we need to be clearly
19 committed to excellence in patient care and client-
20 centered managed care and open to CAM approaches.

21 The data that is gathered should be both on
22 outcomes and on use of other health care services to see

1 through time what the effects are; so that as we make
2 strategy suggestions, we can see whether they will
3 actually lower health care costs and improve care, or
4 whether that is simply a hope.

5 Proposal Number 3. I think we should encourage
6 other groups, such as the Federal Employees Health
7 Benefit Plan and perhaps one or two of the Fortune top 50
8 companies to try equivalent exploration. They would work
9 with different population groups.

10 They could include such things as making CAM
11 reimbursement eligible for flexible spending accounts
12 with pre-tax dollars, and we can see then, with data
13 gathered through time, what impact this has, not only on
14 health status, but on larger health care uses.

15 Proposal Number 4. I hope I am not going too
16 fast. I think we should offer performance-based tax
17 credits to businesses that can demonstrate that a sizable
18 portion of their work force is actively engaged in health
19 improvement efforts and that they are reducing health
20 risks in that population group. We can encourage the use
21 of CAM as part of that procedure.

22 If we do that, I think it would be a very good

1 use of tax dollars because we already have evidence that
2 as health risks decline in a population group, use of
3 other medical services goes down.

4 So, to encourage it in this way would not only
5 allow businesses to proceed in the most creative ways
6 possible to encourage their population to improve their
7 health, but could actually reduce cost spending
8 immediately.

9 Finally, I would like to suggest that we
10 encourage IRS to do some experimenting. We could, for
11 example, choose one state or one region for comparison
12 with comparable population groups elsewhere, and I would
13 see the following kinds of things possible.

14 For the Medicare population, we might trade the
15 amount of money that is being discussed as needed for
16 reimbursing prescription drug coverage to be used by the
17 Medicare population as it sees fit including the use of
18 CAM services.

19 That would provide a cap limitation, and these
20 then could be medical deductions on IRS for those who
21 have incomes of a proper level, and we could allow and
22 encourage CAM practitioners to do pro bono services and

1 sliding scale fees for the lower income Medicare group,
2 which would then count as charitable contributions on
3 their own tax returns.

4 We would see what the costs are for the care of
5 the Medicare population over, say, five years, 10 years,
6 whatever period of time we think is appropriate, in that
7 region as this catches on and gets used, in comparison
8 with what happens elsewhere.

9 I think it could make a real difference in the
10 present dynamic struggle between the pharmaceutical
11 industry that wants to have no coverage because they fear
12 control, and the public which demands some help with
13 services. I think it could be a very interesting test of
14 where we are.

15 In short, what I am suggesting are a series of
16 very clear trials, gathering of information and making it
17 ready, seeing what that will do, demonstrations of
18 various kinds designed to evaluate how different CAM
19 approaches and different protection of the integrity of
20 the approach work out in terms of cost, in terms of
21 health outcomes, and a series of experiments with the IRS
22 system itself, which would not commit it to a loss of

1 public revenues that could be disastrous, but would let
2 it try and see what is going to happen. Thank you.

3 **Panel Discussion**

4 DR. GORDON: Thank you very much, Max, for
5 your long and deep thought on the subject, and for these
6 very specific and interesting, good recommendations.

7 Joe, and then Tieraona, and Tom, George, and
8 Bill.

9 DR. FINS: Thank you very much.

10 That sort of strategy of incrementalism seems
11 quite prudent and appropriate, given the state of current
12 knowledge, and it is a way of generating the knowledge
13 without creating new benefits for interventions which are
14 not yet proven without robbing resources from other
15 things which are efficacious. So, it seems very
16 prudential, and I want to ask you, specifically, two
17 questions.

18 One, this infrastructure that you propose,
19 where should it be; do we have an existing federal agency
20 that could run it; where would you put it?

21 Secondly, how would you link this sort of HRSA-
22 like, AHRQ-like sort of study; how would you relate that

1 to the basic science work that is done at NCCAM and the
2 NIH; how do we create the whole infrastructure that
3 marries the scientific evolution with the health services
4 evolution; and where would you put the federal
5 government?

6 DR. HEIRICH: A very important question. I
7 assume you are thinking primarily to my first proposal
8 here. I think the website might best be staffed by AHRQ.
9 It clearly needs to be done in cooperation with NIH, and
10 it needs to include, as you point out, a wider range of
11 information than simply clinical trials.

12 It needs to gather financial information. It
13 needs to gather quality assessment, which is not a
14 clinical trial type assessment of outcomes. I don't
15 think NIH is a good site to do that. I hope that AHRQ
16 might have, within its staff, people with the range of
17 sensitivity and competence to put it together well.

18 DR. GORDON: Tieraona.

19 DR. LOW DOG: I wanted to know who was going to
20 coordinate that, as well, so I am just going to make a
21 quick comment.

22 Please take this in the respect that it is

1 intended. My grandfather used to tell me all the time
2 that when I had a problem I couldn't figure out, to go
3 find a white hair, and I want to tell you that your
4 presentation represented to me absolutely one of the most
5 clear, well thought-out approaches.

6 What also struck me was that it was absolutely
7 open to all of the possibilities, but just saying in a
8 very wise way, let's take this one step at a time,
9 maintain the integrity of the professions, and let's not
10 overburden a system and just go down the same tracks that
11 we have gone down before.

12 So I just really want to honor you for all that
13 you put into this, because I can tell it was a lifetime
14 of work and thought.

15 DR. HEIRICH: Thank you.

16 DR. GORDON: Tom.

17 MR. CHAPPELL: Yes. I, too, deeply respect and
18 thank you for the fine proposals and thought.

19 One of the things that I find distinguishing
20 about your proposals is that it is addressing both the
21 therapeutic nature of health care, as well as the
22 wellness issues.

1 To date, we have been focusing in reimbursement
2 on, it seems to me, beginning to look through the tunnel
3 of the treatment side of health care, and not the
4 wellness side, as if to say we should not be providing an
5 incentive to those who are addressing wellness
6 techniques.

7 Where I see that is in the tax relief, whether
8 it is business driven or individually driven. I am not
9 sure I am clear on my question yet, but do you think this
10 exhausts the possibilities of incentives for wellness as
11 opposed to treatment? Or, do you see these as the most
12 practical?

13 By the way, you made a point earlier that we do
14 not have services or reimbursement practices that fully
15 reimburse cost. I don't believe they should, because
16 unless we are in this together, that is, me, the person
17 helping to pay for some of my wellness, then I am not
18 going to have the same interest in wellness if it is a
19 free ride. So I think it should be a shared burden of
20 care, the individual and the reimbursor.

21 DR. HEIRICH: We have opened up a number of
22 things, and I will speak to as many as I can remember.

1 First of all, about the shared burden, I think
2 that is right. I think we have to remember that what
3 portion of the burden people can pick up varies
4 enormously by their social situation.

5 We need a variety of strategies that allow
6 people to have self-respect and investment as they
7 proceed. I think our insurance arrangements almost
8 discourage that at present. So, as we proceed, we want
9 to do a better job with that.

10 There are some dangers to the tax relief area,
11 and let me just make them clear. This opens up a
12 tremendous possibility for fraud, and I think you can be
13 sure that fraud will be attempted.

14 That means that the IRS is going to get
15 involved in a very different way, in surveillance,
16 perhaps harassment, and we want to proceed very carefully
17 to minimize that kind of disruption of the kind of
18 relationships we want to create.

19 That is why I did not suggest a general medical
20 deduction expense allowance. I thought we could do that
21 with caps, and I said no, that is going to reduce federal
22 revenue. It is not clear that the people who could make

1 use of it would not get services in other ways.

2 The people who most need our services can't
3 afford to pay out of pocket and wait a year to get their
4 tax refund, so it wouldn't help them. So, I dropped
5 that, and then I thought about Medicare, and I said wait
6 a minute, we are talking about opening up a new area, why
7 don't we use that to actually find the potential and the
8 problems that would be involved. So, that is why I made
9 that specific suggestion.

10 Earlier, I had been very enthusiastic about pro
11 bono payments becoming part of charitable contributions,
12 a relatively small change in the tax law. Of course, it
13 would have to go to all practitioners, and that might be
14 beneficial, as well, but again, it opens up many
15 opportunities for fraud, much necessary keeping of
16 records, interaction with IRS, and I thought, oh, Lord,
17 do we really want to get into that in the midst of
18 everything else that we are doing.

19 But it occurred to me that for the Medicare
20 beneficiaries who have no use for the itemized medical
21 deductions because their income is too low, we need some
22 way to encourage clinics. I forgot to mention I have

1 been thinking about the medical clinics that we were
2 hearing about yesterday.

3 Certainly, CAM practitioners could volunteer at
4 such clinics. They are under tremendous pressure to see
5 people in short periods of time. They can't afford
6 apparently to hire CAM practitioners for longer periods,
7 but a number of CAM practitioners that I know would be
8 delighted to volunteer services particularly if it helped
9 them in terms of their own tax liability later.

10 So, there are any number of ways. I am sure
11 that anytime we come up with ideas, somebody else is
12 going to come up with better ones. I would love, as a
13 researcher, to help design the demonstration projects to
14 see how they could be put together, how we could protect
15 the integrity of CAM as it is occurring, so that we don't
16 simply replicate all the struggles we have had in the
17 last 25 years between integrated clinics, between doctors
18 and CAM practitioners, and what have you. There would be
19 ways to do this, but it would take some thinking and
20 demonstration.

21 I guess my last point and comment in reply to
22 your general statement is that there are other interest

1 groups besides the insurance industry that have something
2 to gain, and that is the reason I would suggest to you
3 performance-based tax credits.

4 Businesses pay out a lot right now. They have
5 a real interest in healthier employees from many levels.
6 There is a methodology that has been developed which
7 works to engage a large portion of the work force and to
8 begin to reduce health risks.

9 If it was enlarged with more CAM inputs, I
10 think it would work even better, and I have had some
11 research experience to suggest that this is true. I
12 think we could design a lot, and, yes, there are many
13 ways we could go. I will stop.

14 DR. GORDON: George.

15 MR. DeVRIES: I want to thank you for balancing
16 idealism and reality in bringing us to a very prudent
17 middle ground which gives us real direction and a real
18 potential for success.

19 My thoughts relating to currently where we are
20 at today, it is health plans today, what are they doing
21 with CAM in terms of providing actual benefits for
22 members and employers who are actually spending

1 additional amounts for CAM benefits. You mentioned
2 earlier in your presentation kind of an overview of the
3 real change that is happening out there.

4 We have heard presentations. There is a few
5 health plans that are doing benefits for CAM on a core
6 basis across the board for all members, but that tends to
7 be rare.

8 More what is happening are more towards
9 supplemental benefits where an employer will purchase a
10 CAM benefit for their members, much like they might buy a
11 dental or a vision plan in addition to the basic medical,
12 and this is for everything from 2 and 10 life employer
13 groups, all the way up to the Fortune 50.

14 I guess I would like to know what your thoughts
15 are, how we can continue to encourage health plans to
16 offer benefits and promote those benefits to their
17 employer groups, as well as perhaps how we can encourage
18 employer groups to broaden the coverage beyond basic
19 medical to also include CAM benefits.

20 DR. HEIRICH: An important question. I mean
21 they all have been, I don't mean to rank them, but there
22 are a couple of dilemmas here that have to be addressed.

1 One is that the insurance market, by its very character,
2 depends on the majority of people not using a service.
3 The rate is lower because those who need it only turn up
4 occasionally.

5 So, if we want the public to use these services
6 and try to reimburse them through insurance, we have got
7 a serious problem. The cost for insurance will have to
8 go up. If there are individual riders, those who want
9 the most can get them, but the people who need the most
10 may not be able to pay for them.

11 So, there are real problems I think in using
12 insurance as the route out of this. I think insurance
13 can help, I think it is great that it is moving in those
14 directions. I wouldn't discourage it at all, but my
15 sense is that this commission doesn't need to put a lot
16 of energy into correcting the insurance field and how it
17 is working.

18 I think it will self-correct as much as it can
19 if we make the proper information available to it, but
20 now there is a different matter when it comes to
21 employers and insurance and what they pay for, and let me
22 give you an example of proposals we are currently

1 discussing in Michigan where the employers are now seeing
2 the very real benefits that come to them if they reduce
3 health risks for their population group, but they
4 recognize that they have had a 20 percent, 30 percent to
5 40 percent increase in premium costs this year, that it
6 takes three to five years of investment before health
7 spending goes down as health improves.

8 They are saying how in the world do we pay for
9 it, and a number of them are beginning to explore what
10 they call partial self-insurance in which the risk gets
11 shared between the third-party payer and the insurer.

12 So, for example, you can take out insurance
13 policies for your employee group in which the employer is
14 responsible for the first \$2,500 of expenses that would
15 normally be on the 80 percent that the insured is going
16 to have. Thereafter, the insurer takes over.

17 Now, what that does is to protect the employer
18 from the very expensive cases that come in and gives them
19 a stake in minimizing the use of other services as they
20 improve the health of the employee population.

21 It sounded good when I first heard about it.
22 It was developed by a benefits company that was set up by

1 labor unions, and it works with a number of school
2 systems, small employers, and the like. I said, well,
3 that is fine, but suppose everybody went to the maximum
4 benefit, wouldn't you be wiped out.

5 The answer was yes, but we have actuarial
6 evidence, because we have been doing this now for 10 to
7 12 years, about what actually happens. For most
8 companies, about 18 to 20 percent of the employees will
9 actually go to the maximum -- I'm sorry, I said that
10 wrong. The maximum liability that the employer uses will
11 be about 18 to 20 percent of what they could have had,
12 that is, a few people use a lot of health care, most
13 people use only a little.

14 The range goes from wellness-oriented programs
15 where it is sometimes as low as 8 percent to a higher
16 end, often among school systems where you have women
17 teachers who are having maternity leaves and more use of
18 the health care system, and so forth, to as high as 33
19 percent.

20 What we have been able to demonstrate as we put
21 all of this actuarial evidence together is that by taking
22 on partial responsibility, the employer can actually

1 finance the costs of other services which keep people
2 healthy out of the savings that are going in to simply
3 protect them against high risks for a few of their
4 population, but they still remain protected.

5 So, in short, there are any number of
6 possibilities that can move the field forward, can pay
7 for it without requiring more funds than are now in use.

8 DR. GORDON: Bill.

9 DR. FAIR: Well, in this general field, I am
10 often more concerned about what we do than what we don't
11 do, and maybe it is implicit in your excellent discussion
12 here, but I was surprised not to see any mention of
13 education.

14 For instance, we know that two-thirds of cancer
15 deaths are due either to smoking or poor nutrition. Now,
16 if we could eliminate two-thirds of cancer deaths by
17 educating people in both of those areas, and certainly if
18 you educate people to stop smoking, you are not costing
19 anything, they are having more money in their pocket.
20 So, I would think maybe this would be an excellent
21 opportunity for employer-based tax breaks or something to
22 do programs in education on nutrition and smoking

1 cessation that would have potentially immediate benefits
2 with very little outlay, and I think that education
3 should be a major portion of your excellent
4 recommendation.

5 The second thing was in proposal 2, you
6 mentioned that the demonstration should be located in
7 selected HMOs whose physician leadership has demonstrated
8 a commitment to evidence-based medicine, and I would
9 include there that you have to have a CAM leadership with
10 the same dedication, otherwise, it is not going to work.

11 DR. HEIRICH: Yes.

12 DR. FAIR: So, I would put that in there. The
13 third thing I would like to point out, because we have
14 heard so much about research, I served on the Cancer
15 Advisory Panel for NCCAM, and last year we could not
16 spend the amount of money that was allocated because we
17 didn't have the grants, so I think that the CAM community
18 has to be alert and put in more information.

19 I mean Jeff White has done a tremendous job
20 even going out and saying just send us 10 of your best
21 cases, we don't need a randomized trial, just give us 10
22 of your best cases, and we will examine them.

1 We had two homeopaths from Calcutta, wasn't it,
2 that came over.

3 DR. HEIRICH: Yes.

4 DR. FAIR: You know, they had their x-rays and
5 their pathology. So, I think NCCAM is willing to spend
6 the money, and all we need are the grants that are
7 worthwhile to spend it on.

8 DR. HEIRICH: Those are excellent points. I
9 don't know how we are doing on time. Shall I respond or
10 shall I take another question here?

11 DR. GORDON: One thing, we are in a bit of a
12 bind as far as time goes, because we need time to discuss
13 recommendations for this whole day and a half that we
14 have had.

15 DR. HEIRICH: Let me say just one sentence
16 then.

17 DR. GORDON: Go ahead, Max.

18 DR. HEIRICH: The work site wellness programs
19 do precisely what you are talking about in terms of
20 education, and I think that is the most effective place
21 to do the work, because most people are at work, they are
22 easily accessible, and you can find ways to relate this

1 to their other concerns.

2 DR. GORDON: I am wondering if there is a way.
3 I have a feeling as I am seeing people around, I know
4 there are other questions, I know the questions require
5 some time and some energy, I am wondering if, Max, if
6 what we can do is perhaps call on you to consult with us,
7 if that feels right to other people since you have spent
8 some much time, and maybe arrange a time when you can
9 both initially, where the Commissioners can give us
10 recommendations and we can give them back to you and ask
11 for your input, and then perhaps another time in the
12 future where you can come and talk with us, and sit with
13 us, and discuss some of these things.

14 Does that feel okay to everybody, because even
15 if we did the questions, we would give short shrift to
16 the answers and the discussion, and we wouldn't have time
17 for our other discussion.

18 So, if we could do that, that would be --

19 DR. HEIRICH: Sure, I would love to do that.

20 DR. GORDON: Terrific. Thanks so much and
21 thanks for your wisdom.

22 [Applause.]

1 DR. GORDON: We have until 11:00 for the small
2 groups, which means we have to be back in here at 11:00
3 for the presentation to the large groups.

4 Steve, are you going to read the order?

5 DR. GROFT: Again, we have two breakout
6 sessions. The first group will be chaired by George
7 DeVries. That group will look at employer, health
8 insurers, and plans and state issues. Joe Kaczmarczyk
9 will be the staff person who will be present. They will
10 meet in the upper conference room, I believe it is E,
11 that is back behind us.

12 DR. GORDON: Upstairs. Don't get lost on the
13 way back.

14 DR. GROFT: The second group will meet right
15 across the way, and that will be chaired by Conchita Paz,
16 and Corinne Axelrod will be the staff contact. They
17 again will look at federal agency issues, states, and
18 national organization issues.

19 Again, we will ask the public, you are welcome
20 to attend either session, but you must refrain from
21 questioning or participating in the discussion. If you
22 have any questions or recommendations or suggestions,

1 please pass them on to the staff person who is present,
2 and then we will bring that back to the Commission's
3 attention after the meeting. We will look at the issues
4 and then proceed in such a manner. We just don't have
5 enough time for public participation in all the issues.

6 DR. GORDON: Great. Each of the leaders of the
7 subgroups, please bring back your recommendations here,
8 and we will discuss them at 11:00.

9 Thank you very much. We will see you back here
10 then.

11 [Breakout sessions.]

12 DR. GORDON: Let's get started with the Group 1
13 [sic] report. Conchita.

14 **Group IIB: Federal Agencies, States,**
15 **and National Organizations**

16 DR. PAZ: I dealt with the Federal Agencies,
17 States, and National Organizations. So the first was,
18 what overriding principles should be considered in
19 developing policy recommendations related to coverage and
20 reimbursement.

21 We came up with four. One of them, any
22 treatment would be eligible for reimbursement if there is

1 scientific evidence of safety and efficacy published in
2 peer-reviewed journals.

3 The second one was access for all populations
4 including special populations like hospice and others.
5 Payment solutions on the federal and state level.

6 DR. GORDON: Conchita, I'm sorry, could you
7 start with that one again, please.

8 DR. PAZ: The payment solutions was Number 3,
9 and we are basically leaving that fairly comprehensive
10 because we talked about each of the different types of
11 payments, especially those that have been mentioned today
12 with not just Medicare and Medicaid, but also other
13 insurances, pro bono, government, the South, co-pay
14 riders, and whatever else we can think of, but to endorse
15 payment and cost-sharing methodologies that expand choice
16 for consumers. That is our underlying theme on that.

17 The next one is to design demonstration
18 projects that should be inclusive of CAM professionals
19 and conventional professionals and others with
20 appropriate methodology, expertise of the areas that
21 would be studied.

22 The next one would be what recommendations

1 regarding coverage and reimbursement could be made to
2 federal agencies.

3 Again, we mentioned some demonstration projects
4 on a federal level with HCFA and including state levels
5 needing to include vulnerable populations, such as those
6 without any money or insurance, but also to include like
7 community health clinics.

8 Also, this would be in association with federal
9 health employee benefits, and we especially liked the
10 proposals that Max Heirich recommended, so we are
11 suggesting all of them on both the state and federal
12 level, and with each of these organizations to have a
13 partnership for learning, as well.

14 Now, there was a separate one here on
15 recommendations to be directed at the state governments.
16 Again, we liked the state portion that were on those five
17 proposals, but also we included on the state level,
18 regulators of the insurance and the Medicaid, and to
19 provide a partnership with them to show learning of CAM
20 providers and appropriate stakeholders in addition to
21 those other proposals.

22 Other recommendations that could be made

1 regarding the activities of national organizations, we
2 didn't list any of the organizations, we just know that
3 there is multiple groups that we would like to try and
4 partner with.

5 DR. GORDON: What kinds of national
6 organizations?

7 DR. PAZ: Well, we have talked about the
8 National Hospital Association and National Governors
9 Association, Western Governors Association.

10 MS. SCOTT: Mainly, there are a lot of
11 associations we felt needed to be brought along as we are
12 going through this process as a way of getting feedback
13 and even review of some of these recommendations, so that
14 we bring in partners.

15 DR. GORDON: One thing that I think will be
16 useful is if we had a list and any contact people with
17 those organizations, because part of our work over this
18 next nine or 10 months is really doing exactly this kind
19 of dialogue with different national, as well as local,
20 organizations.

21 So, informing them of what we are thinking
22 about, getting their feedback about it, and sort of