

## Roundtable Discussion

# Insurance Reimbursement for Acupuncture

*Note from Editor-in-Chief: Fees and codes were purposely left blank to prevent any legal violations that may be construed with this document, and to protect the participants. We report on the recent roundtable discussion of this most vital issue to physicians. We encourage your comments.*

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**Richard C. Niemtzw:** I want to introduce John Howard, who is a very successful licensed acupuncturist in Maryland. John Howard is well-known and has a lot of experience with insurance. In addition, he was instrumental in bringing the Maryland Medical Acupuncture Society (reply to: n5ev@aol.com) and the Maryland Acupuncture Societies together, now with a combined membership of 800 licensed acupuncturists. Both the Maryland Medical Acupuncture Society and the Acupuncture Society of Maryland have an excellent relationship.

It will be interesting to hear his points of view on our topic today.

Marshall Sager was unable to join us today. However, he sent me some of his comments, which will help shape our discussion. Here is what Marshall has to say:

“The goal of our dialogue is to encourage third-party payment for medical acupuncture services. Unfortunately, our time today engaged in this discussion will not achieve this goal. It may be obvious, but insurance companies and other third-party payers are economically driven. They are a business, and like other businesses, the bottom line is paramount. Insurance companies do not know or understand the multi-

ple benefits of medical acupuncture treatments in general and its cost effectiveness in particular. This is the problem we must focus on.

“Therefore, I propose that we undertake a cost/benefit statistical analysis of various specific medical conditions and their treatments, both traditional Western therapies and acupuncture. As stated in the recent *Archives of Internal Medicine* article about low back pain, acupuncture is more effective than any of the standard Western treatments. This analysis should be taken to the next step. We need to show that medical acupuncture treatments are not only more effective and will reduce costly surgical procedures, but also that they cost less. If we want to get paid, we must prove that the payment is beneficial to everyone. This is just one prong of a multi-pronged approach to the problem of reimbursement.”

**Gene G. Hong, MD:** The American Academy of Medical Acupuncture proposes a number of steps we can do to help insurance companies understand the benefits of acupuncture and the rationale for reimbursement. First, the Academy creates a “white paper” that summarizes the efficacy of acupuncture as documented in the peer-reviewed literature over the past 5 years. Second, the Academy contacts high-level executives at the major regional insurance carriers to discuss acupuncture coverage using the white paper as the basis for our proposal. Third, this white paper will also be used to develop a public information campaign on the importance of medical acupuncture and its reimbursement. Finally, the Academy will offer the members resources on how to investigate and outline the appeal process for denied claims.

**Richard Niemtow:** Thanks, Gene, for outlining the Academy’s proposed plans in this area. Now, I’d like to ask our participants to comment on Marshall’s and Gene’s thoughts or on any other statements you’ve seen about the reimbursement issue. Claudia Cooke, why don’t we start with you?

**Claudia Cooke:** Thanks, Richard, for inviting me to participate. I practice in New York City. Here, the level of insurance reimbursement for acupuncture is disproportionate to the cost of practice overhead, particularly for primary care practice. Dr Sager’s comments are points well taken. I would second his motion as far as recommending more studies comparing acupuncture to other modalities and its cost effectiveness. Dr Hong’s calls for the white paper are also important. Other than participating in Medicare, I don’t participate with private insurance carriers. As physicians, I believe we should be dictating more to the insurance companies rather than the other way around

**Elizabeth Sebestyen:** I fully agree. I practice in Colorado, where insurance just started to reimburse acupuncture at a

very low cost like everywhere else. Here, insurance covers some services to a limited degree and only at a very, very small percentage of actual expenses. So, I fully agree that we have to motion more for a wider coverage from private insurers. I would also love to see Medicare start covering acupuncture.

We have to really reinforce the importance of acupuncture with this white paper, since conducting our own studies will only delay getting our point across. In addition to this document, physicians need to emphasize the importance of acupuncture coverage.

Up to 6 months ago, I was not taking any insurance payments because they were very erratic. Now, they pay a little bit more, so I started accepting insurance from private payers again. It would be nice to make insurance reimbursement for acupuncture more available to a larger percentage of our patient population.

**Tapan Chaudhuri:** Richard, thank you for inviting me to this roundtable conference. I’m in Kansas City with a practice of internal medicine and acupuncture together. Right now, I’m around 15 to 20 percent acupuncture. There are 4 or 5 insurance companies which pay for it. Reimbursement is really pitiful. The insurance company medical directors feel that they need to know how much money I’m saving for them. But, the problem is, despite my repeated requests to talk to them directly, I’ve not been given any access when I mention why I want to talk to them.

So, I think the white paper mentioned by Sager is a must. But it’s going to take a pretty long time to get into several studies of cost effectiveness. There will also be criticism of that. In the meantime, we need to act locally. Academics can help us get access to insurance company directors. This would be great. We need to involve these executives locally as well as nationally. We must educate them about outcomes and cost-saving potential with direct examples from our own practices. If we can do this, it just might help us until we get the white paper out, which would convincingly show this.

It is to our advantage to educate the public about what is happening and where the insurance companies are not cooperating. If Medicare does start offering reimbursement, it will be a very noble thing. But, the payments will be so minuscule when the insurance industry follows suit.

**Joseph M. Helms:** My practice is tertiary care referral for 100% acupuncture in Berkeley, California. I have not participated in any insurance plans, including Medicare, for the last 15 years. I agree with the idea of creating a white paper. In fact, over the last couple of years, HMI has put together over 350 articles published in peer-reviewed journals on the favorable effects of acupuncture. Our students and Academy members can refer to these on the website for insurance purposes or to obtain staff privileges at healthcare facilities. This resource helps them to justify their interest

in doing acupuncture for specific diagnoses. So, we have a good, thorough literature review available right now. Whatever team of authors puts together the white paper doesn't have to do any independent research except what is needed to include negative studies and reviews.

As far as Medicare goes, I'm vigorously against inviting Medicare to cover acupuncture in any way, shape, or form. This is simply because of their tradition of approving something and then systematically reducing and reducing and reducing the reimbursable amount in subsequent years. I would hate to see acupuncture locked into that box.

Look at what happened in France and Switzerland. Initially, the national health care plans embraced acupuncture and then progressively reduced the reimbursement for it. In 1990, 3,000 French physicians were practicing acupuncture. Today, there are only 50 to 75 practicing because of the reimbursement issues. A similar situation occurred in Switzerland. Compared to France, there were fewer practitioners to start off with. Now, there are very few physicians who can afford to practice acupuncture in Switzerland. I would hate to see this repeated here.

As far as contact with insurance companies, the more information we can provide them, the better. We need a grassroots approach to inundate them with efficacy studies. Each time a statement or bill is rejected by the insurance industry, flood them with positive acupuncture studies. Then, challenge them to defend their rejection of reimbursement. Back up this grassroots challenge with the next level of action: the white paper.

The other ideas of contacting insurance industry leaders and doing cost analyses are good and lofty, but take longer. It would be nice to launch the project as quickly as we can and then add to it as we go along.

**Gene Hong:** It seems we're probably all speaking relatively on the same piece of paper. Having insurance coverage and greater access to acupuncture is a good thing. The Academy needs to put resources and invest time into this effort. Coming from the Board's perspective, we have to do this in order to survive as an organization and as a subspecialty of medicine.

All of us here, and those serving on the Board, are actually very, very unusual practitioners. In many ways, we are unusually successful practitioners. There are a large proportion of Academy members who need insurance reimbursement in order for their patients to come see them. I'm an internist by training, but spend 100% of my time doing acupuncture. Sixty percent of my practice is dependent on insurance reimbursement. This is actually a very important part of my practice. Having the ability to speak with policymakers and insurance companies is difficult for the individual practitioner. This is where the Academy and the four points I laid out could be very, very helpful.

I am so glad to hear Dr Helms. You have already achieved at the Academy's board level a majority of what we are try-

ing to achieve. You have 300 articles. Summarizing these into an easily accessible format would be very helpful as a start to the white paper. We have the beginnings to change the environment of insurance coverage. It can then continue to grow as we add to the collection.

**Richard Niemtow:** Thank you very much, Gene. Like everybody else, I appreciate your comments. I'd like to now invite John Howard to speak, who is in a very unique position. John is a very successful licensed acupuncturist in Maryland. Both the Maryland and national societies have an excellent relationship. We share cases and conduct CME programs together. Appropriate members of the Maryland society are invited to the national society's business meetings. I'd like to hear what your thoughts are from the perspective of someone who has to compete not only with your own group but also with medical acupuncturists.

**John Howard:** Richard, thank you for having me. Insurance reimbursement may be a state-by-state issue. I'm a provider with (left blank). They send a representative out to talk to me. When I first talked to her, I was asking her about medical acupuncture versus licensed acupuncturist services. They don't make a distinction between the two. I said, "Oh that's pretty good." So I started applying for insurance reimbursement.

Today, I went through my records and found that 96% of my patients are insurance-based. About 3-4% are cash-based patients. Here in Maryland, we have really good coverage for acupuncture. It's not uncommon for me to receive more than (left blank) for a new patient visit. I receive (left blank) for a follow-up visit. That's without a co-pay. I know other practitioners in states such as Georgia and Florida who don't get anywhere close to these amounts. In Maryland, we have a very strong lobbyist who lobbies (leave blank). With any insurance carrier, however, I think reimbursement is a state-by-state issue.

People come here from Connecticut, where they must see an MD or DO to get insurance coverage for acupuncture. As I mentioned, here in Maryland, there is no distinction between a DO, MD, or LAc. In each state, there needs to be a lobbyist who can push the issue, help pass some bills, and sit down with the insurance companies to hear what they have to say. The lobbyist can show them the research supporting acupuncture's benefits.

**Richard Niemtow:** That's very, very interesting.

**Hiroshi Nakazawa:** Thank you very much. Recently, I wrote an article on how I practice medical acupuncture for *AAMA News*. It is now posted on their website. My practice is just like Gene's, half and half now. The number of cash patients is on the rise. Maryland payment is very good, but I don't think near the levels John Howard said. Certainly, we are paid more than providers in some other states.

As you know, some say acupuncture is still experimental or not medically necessary. Anyway, at some point, someone said medical acupuncture is not the accepted standard or a proven medical technique. I talked a lot with high-level insurance company executives, trying to establish a good rapport with them. As a result, I have been getting very smooth payments from them.

A lot of our success also depends on the effort we put into it. For example, we use various web resources to overcome the many denials we receive. The staff in my office spend significant time with the patient in order to get accurate information. They are also knowledgeable about all of the different insurance policies, groups, and co-pays dealing with acupuncture reimbursement. By finding out these details upfront, there is less time spent later trying to deal with disputes and denials. Our office checks out everything.

At the meeting in Baltimore, I was very fortunate to sit down with Richard Hammerschlag, PhD (Research Director, Oregon College of Oriental Medicine, Portland, OR). He is going to work with us on the things we have discussed today. More details are forthcoming.

As I said before, some negotiation techniques are definitely necessary. If you have difficulty with the insurance company, find the correct person and talk to them. Our new meeting in Baltimore, the NIH position statement on acupuncture—all of these things accrue positive impressions. As for the peer-reviewed literature, Joe's web-based resource is fantastic. In case a dispute comes in, I have this research as a backup. This was the case when I was having trouble getting reimbursed for treating neck pain. Now, I have no problem.

At the Board meeting, we also discussed hiring a publicist or public relations counsel. Due to cost considerations, we are holding off on launching any sort of campaign. But, I think medical acupuncture is going to be very interesting in the future, as the public demands it more. We really have to be more responsible about what we are doing now and study harder. We have to be good ambassadors for medical acupuncture and for our patients.

I believe definitely no for Medicare. I've been practicing surgery and acupuncture together almost 46 years. But, I think Medicare has never done any real good for the elderly. Medicare is now hurting many, many elderly people on reimbursement. They have increased the premium and the co-pay. It's going to hurt us in the long run. At this point, I'm definitely opposed to Medicare getting involved with medical acupuncture.

**Richard Niemtow:** Thank you, Hiroshi. I'd like to have some brief comments from Dr Steve Burns. As you all know, Steve and I practice in the military. Since I'm moderating, I want to remain neutral. The military has some interesting parallels. Number one, acupuncture is not a benefit. Number two, currently we have close to 40 physicians practicing acupuncture in the military; Congress does not recog-

nize this. So, there are similar parallels to what we're saying here. Steve, could you just make some very brief comments about practicing in the military and some of the interesting parallels that we're seeing in the civilian sector.

**Stephen M. Burns, MD:** Well, there is a tremendous amount of groundswell support from our patients who have lauded the Air Force and the Army for being so forward thinking. It is definitely highly sought after. Many of them would gladly pay for acupuncture outside the system, frequently asking us to recommend someone. So, we're certainly on the cusp of something.

One of our Air Force Surgeon General's intentions is to fund more studies and gather new data. In time, he hopes to address the question of reimbursement—or, at least putting the question on the table of making acupuncture a TriCare-refundable, payable benefit. So, I think the military side sees it the same way. Certainly, the patients love it. They clamor for the treatment. I have found working with acupuncture very gratifying and hope we can continue to expand it.

**Glenn Rothfeld:** I'm a physician in Massachusetts. My practice is probably between a quarter and a third acupuncture. By and large, I do not take insurance for any acupuncture; maybe there is 1 or 2 private policies that we take. I am not a Medicare provider at this point, nor a (left blank) or any HMO provider either. For myself, it's worked out better to stay a little outside the insurance system. I'd like to see some of our physicians use that model if they get to the point in their practices where they can draw patients in that way. It's not for everyone, and so, I understand the need by some in the Academy to have access to some insurance reimbursement.

I want to comment on the white paper issue a little bit. For the amount of resources we put into it, we have to give more thought into what we're looking at in this regard. Joe mentioned an efficacy study. I was just at the SAR meeting where a lot of the German research was presented, as it was last year at the Academy's meeting. We've had thousands of patients studied. There are some questions about these efficacy studies in terms of how they were done and what they call minimal versus standard acupuncture. I think they're very positive studies, depending on how they are framed.

But, I'm not sure insurance companies make their choices along the lines of efficacy. Insurance companies like effectiveness better, meaning they want to know if something works, is cheaper and safer, and results in lower utilization. Likewise, a lot of corporations getting into wellness want to save on their insurance and healthcare costs for employees.

I would like us to focus our efforts on trying to support these kinds of research data showing that what we do is effective, safe, cheaper, and is more. The studies should be directly applicable to what employers and insurance companies want and are willing to pay for. There are many, many therapies that are efficacious according to research. Yet, they

are not used by people or paid by insurance companies, and are basically ignored. It may be a bit cynical, but I don't think whether or not something works in a standardized, randomized, controlled study makes much difference in the real world when it comes to insurance carriers covering it or not.

While I'm certainly in favor of us trying to develop a white paper, I would focus on what insurance companies and corporations actually want to hear versus what an NIH scientist wants to hear.

**Tapan Chaudhuri:** John Howard talked about this insurance payment and it sounded very, very good. Did the payments consist of the E/M code *and* the acupuncture or just the acupuncture only? If it is only acupuncture, how much is paid for that? Because the amount of money he's talking about is very significant compared to what other practitioners are getting in other states.

**John Howard:** Actually, I've got it right here in front of me. For example, I got a check today for (left blank); this is without the co-pay. It was for a patient who had 35 minutes of acupuncture. This consisted of acupuncture with electric stimulation for the first 15 minutes, followed with a second 15-minute session. A total of three codes were used. With this coding procedure, (left blank) paid (left blank) for this patient.

**Joseph Helms:** What did you bill for each of those codes?

**John Howard:** For the first 15 minutes, I billed (left blank), and for the second 15 minutes, I billed (left blank). (Left blank) didn't pay the full amount—only a portion of these billable amounts. They paid 80% for the first visit and 80% for the followup visits, which came out to (left blank). (Left blank) also said I can go ahead and bill the patient for the 20% they didn't pick up. If (left blank) pays well, I don't bill patients for the extra 20%. (Left blank) is a pretty good payment, so patients are willing to come back up to twice a week for treatment. As long as they are doing well, they come in.

**Gene Hong:** This is a very interesting way of coding. For many of us in the Academy, we are not aware of or do not really understand how you can submit insurance claims for reimbursement at the appropriate levels. One of the things we can do right now is to have a group at the Academy to field members regarding questions about insurance billings. Those of us who have been denied claims can call in and be put in contact with someone who could help us navigate the insurance billings better. When I am confronted with a denial letter, a lot of times I just accept it, not knowing that there are many, many things you can do to appeal and have the claim reviewed by an outside group. There are so many things that are available to us, but we don't really have the time to gain this insurance expertise.

Regarding the white paper, I think it can take more than one track. We need this information. Dr Helms has already

gathered a substantial literature base together. We can mine this resource right now and begin the process of contacting insurance officials. Concurrently, we can develop the NIH statement paper; plan our 10-year anniversary; etc. All of these great ideas are worthwhile pursuits and we should do it soon.

**Richard Niemtow:** We're not going to solve the insurance problem here, nor do I want this group to conflict with any committee actions that the American Academy of Medical Acupuncture is doing at this time. But, I believe all of you represent a very large perspective of different practices around the country. I'd like each of you to make one recommendation that you consider most important to this discussion. What is the bottom line for you in terms of your revenue and membership in the Academy?

**Claudia Cooke:** I think that immediately calling for the white paper and circulating it to insurance companies will have the most impact. However, Dr Sager's recommendations are well advised, even though they are long-term.

Furthermore, I would like to see the Academy provide an on-call acupuncture billing consultant/insurance advocate, made available to the membership. Finally, although I continue to be a Medicare participant as far as general medical services, I am not eager to see acupuncture reimbursed by Medicare either for similar reasons expressed by Dr Helms.

**Elizabeth Sebestyen:** For me, at this point it would be crucial to know what avenues to take regarding contacting insurance companies and making progress in their reimbursement practices. The white paper will be very, very important in pursuing this effort. However, I tend to agree with Glenn. I'm not sure how much they are really interested in seeing a white paper on efficacy versus a more cost-efficient approach. So, I think we have to focus on the latter. Some help from the Academy will be very, very important.

I can certainly see the downfalls of Medicare covering acupuncture. However, at least in Colorado, the reimbursement from insurance companies is very close to the RBVs set by Medicare. They are very far from what is paid in Maryland. I was in total shock when I heard how acupuncturists are reimbursed so highly there. I don't know if we can change the Medicare set RBV reimbursement. Even though they don't pay, they do set the RBV for all of Colorado's insurance carriers. Helping us pursue insurance companies in Colorado would be very important.

**Tapan Chaudhuri:** We have already talked about the white paper. I completely agree with progressing in this fashion. However, what John Howard said today was very surprising to me. If there are people in the acupuncture community who are getting his kind of insurance reimbursement, we invite them to the Academy. Let us sit down and talk about how they are doing it—legitimately and honestly.

Then, we would be able to come up with a direction all our Academy members can pursue. That would be my recommendation.

**Joseph Helms:** Two points: number 1, keep your prices high when you're attaching fees behind the codes. If you drop the price to please the insurance companies, it will get recorded in their computers and averaged each year. If you're trying to combine acupuncture with trigger point or other interventions and lowering your price of acupuncture by bundling it with other procedures that are generally more quickly reimbursed, stop this practice now. Keep your acupuncture prices high so that the insurance industry doesn't believe physicians are happy with low prices they consider the standard for reimbursement. Number 2: let's stay away from Medicare. Keep acupuncture out of the hands of Medicare.

**Gene Hong:** Well, I think I've already said my piece. I appreciate the ability to comment, and I think this has been a very valuable session.

**John Howard:** I think the key is actually how to bill insurance. It may just be the correct CPT codes to get properly reimbursed. Before I was using the codes correctly, I had a billing person who wasn't very successful. But, when I found an experienced person who knew how to bill acupuncture properly, that's when I really started seeing a big difference. It has to do with proper education on how to bill insurance, and also showing carriers the value of acupuncture (while making a good living off this).

**Hiroshi Nakazawa:** In the subject of insurance, we must improve our acupuncture care and delivery and also, negotiation techniques, so as to accommodate the insured patients. I have practiced medical acupuncture for 12 years and 100% of it for 6 years, and I really appreciate the confidence and trust expressed by my patients. Insurance is one thing and more importantly, we must improve our skills and delivery so as not to betray patients' trust and support.

**Glenn Rothfeld:** Yes, I certainly agree. We need to keep working on our craft, as Hiroshi says. Insurance companies are economic entities. They exist to make money. If we can help them in this regard, they are going to help us. If we can't help them in this way, then they're not going to help us. So, it feels a little bit like standing with your hat in your hand. We're trying to prove to insurance companies what we already know—that acupuncture works! Instead, I'd like to put our efforts into helping them achieve their financial goals, and to showing corporations who pay group premiums the value of acupuncture. Then, I think our members will be happy with these efforts.

**Richard Niemtow:** In conclusion, I want to thank everyone for joining me today to express your views on insurance. In 6 months, I would like to bring all of you together again in order to measure our progress in this area. *Our statements today send a message.* What we have said reflects the attitudes of the Academy's membership. It will be very interesting in 6 months to see if we have achieved any of our goals. Thank you all.