New Century Healthcare
Strategies for Providers, Purchasers, and Plans

Russell C. Coile, Jr.

Health Administration Press
COMPLEMENTARY MEDICINE

Mainstream Healthcare Adopts Alternative Therapies

Patients are tired of fast-food health care. They want a one-on-one relationship with the provider, a more holistic approach, and positive outcomes. People understand the connection between being stressed out at work, not sleeping well, arguing with their spouse, and getting sick.

Atul Dighees, Institute for Alternative Futures (Mycek 1997)

ACUPUNCTURE, BIOFEEDBACK, and vitamin therapy no longer are anathema to physicians or insurers. Medical remedies once described as “unconventional” or “alternative” are now getting mainstream recognition. More frequently than anyone thought, America’s healthcare consumers are relying on nontraditional services and settings for health help. Doctors and insurers now recognize that as many as 70 to 90 percent of all medical episodes are dealt with in sites outside a physician’s office or hospital (Borkan et al. 1994).

Widespread acceptance for what is now referred to as “complementary medicine” surged after Harvard researcher David Eisenberg, M.D., reported that one-third of Americans spent $13.7 billion in 1990 on alternative medical therapies (Eisenberg et al. 1993). The previously ignored consumers of Eastern medical approaches such as acupuncture and Chinese herbal medicine have suddenly found themselves in the middle of a market explosion. Baby boom consumers brought up on...
“New Age” spiritualism are quicker to accept unconventional therapies and an emphasis on the mind-body connection.

Doctors and health plans are embracing alternative approaches formerly categorized as quackery or unproven. According to a national study, more than 60 percent of family physicians have made referrals to alternative providers, 38 percent of which had been within the same month of the survey (Borkan et al. 1994). Family doctors who used alternative therapies to treat themselves or their families were even more likely to refer patients for nontraditional health services.

Redefining “Unconventional Medicine”

Approaches once considered unconventional are gaining a wider acceptance among physicians and payors. The Office of Alternative Medicine at the National Institute of Health uses the phrase “complementary and alternative medicine” (CAM) to describe the range of nontraditional approaches (Woolf 1997). Use of alternative medical services widens, despite the lack of definition or scientific evidence to support their efficacy. A survey of major health plans in Northern California by Stanford University is finding that a growing number are preparing to offer alternative medicine (Myciek 1997). “This is the next generation of managed care organizations,” says Alan Killnet of San Francisco-based Complementary HealthCare, Inc., in which HMOs and insurers are taking new approaches beyond the medical model to manage chronic illness (Edlin 1997).

Several alternative therapies are gaining popularity among consumers and their physicians:

- acupuncture  - lifestyle diets, such as macrobiotics
- aromatherapy  - magnetic therapy
- biofeedback  - meditation
- chiropractic  - massage
- electrical stimulation  - naturopathy
- exercise and fitness  - prayer
- folk remedies  - relaxation techniques
- herbal medicine  - self-help groups
- homeopathy  - therapeutic touch
- hypnosis  - vitamin therapy
- imagery  - yoga
- light therapy

For certain conditions, complementary medicine may provide the only therapeutic alternative. Sufferers of seasonal affective disorder
Mainstream Healthcare Adopts Alternative Therapies

(SAD) are discovering that high-intensity morning light treatment results in a marked reduction of symptoms for 61 percent of patients with winter depression (Chase 1997). SAD patients treated with a 10,000-watt fluorescent light box showed remarkable improvement, while other patients who received a placebo treatment of ionizing rays had little improvement of their depressive symptoms.

In this emerging era of acceptance for alternative healthcare, even humor can be a therapy. In Oklahoma City, the Integris Health System has launched its well-named Medical Institute for Recovery Through Humor (MIRTH) unit (Myciek 1997). MIRTH occupies a wing of the Integris Baptist Medical Center of Oklahoma. Pictures of Charlie Chaplin, Lucille Ball, and the Three Stooges line the walls, and volunteer clowns, mimes, and magicians fill the hallways. Stanford psychiatrist William Fry, M.D., explains: “A good belly laugh speeds up the heart rate, improves blood circulation, and works muscles all over the body” (Myciek 1997). The new center will evaluate whether MIRTH patients use less pain medication and are discharged sooner. The hospital will also measure whether its staff is happier and the effect on turnover or burnout.

The Mind-Body Connection

Complementary medicine programs are beginning to demonstrate their efficacy with controlled clinical trials and scientific research. Founded by Harvard-trained Herbert Benson, M.D., Boston’s Mind/Body Medical Institute was an early pioneer in showing how the mind-body connection can lower blood pressure and heart rates (Myciek 1997). The Institute’s research has been expanded to show the ability to alleviate symptoms associated with cancer and AIDS, as well as positive outcomes for chronic pain, infertility, premenstrual syndrome, and insomnia. Founded at the Beth Israel Deaconess Medical Center, the program has been expanded to five regional medical centers across the nation:
1. Baptist Hospital in Nashville, Tennessee;
2. Memorial Hospital Southwest in Houston, Texas;
3. Morristown Memorial Hospital in Morristown, New Jersey;
4. Riverside Methodist Hospital in Columbus, Ohio; and
5. St. Peter’s Medical Center in New Brunswick, New Jersey.

Acceptance of complementary medicine is no longer limited to the trendy West Coast or academic medical centers in the East. In Pittsburgh, the Shadyside Hospital opened a clinic for alternative medicine procedures. The University of Arizona at Tucson started a medical residency in complementary medicine this year. The Daniel Freeman Marina Hospital
in Los Angeles did the same, in affiliation with the College of Traditional Oriental Medicine in Santa Monica (Shinkman 1997).

Complementary medicine has entered the continuum of care. California-based Gerson Institute, which uses organic foodstuffs to treat cancer, arthritis, and other ailments, recently opened an inpatient facility in Sedona, Arizona (Shinkman 1997). Gerson’s clinic is part of a licensed 18-bed assisted-living center. Many of its patients have terminal cancer, and come to the Institute for a three-week intensive therapy involving nonfat foods, fruit and vegetable juices, vitamin supplements, and other treatments. Gerson’s own research suggests a 21 to 43 percent improved survival rate compared with similar patients receiving only chemotherapy and other traditional treatments.

Profile of Complementary Medicine’s Consumers

Who is a typical consumer of complementary and alternative medicine? The short answer from the market researchers is that almost everyone is a potential user of nontraditional medicine. The Harvard study of unconventional therapies identified people age 25 to 49 (i.e., baby boomers) as significantly more likely to be users of complementary medical approaches (Eisenberg 1993). Excluding prayer and exercise, 34 percent of Americans used at least one unconventional therapy during the year surveyed. About two out of three alternative medicine consumers had no prior use in the 12 months preceding the survey, but the one-third of frequent users averaged 19 visits in a year.

In contrast with baby boomers, the old and young were less likely to turn to alternative medicine. Education and income levels also make a difference. Use of nontraditional remedies rises with the level of education, and was highest in those with at least some college education. Higher income Americans were more likely to accept and use alternative health services as well. The trendy West Coast led all regions in acceptance of nontraditional therapies, but utilization was found in all regions. There were no significant differences according to sex or insurance status.

Conditions for which patients looked to complementary medical approaches were back problems, anxiety, headaches, depression, chronic pain, and cancer or tumors (see Table 9.1). Relaxation techniques, chiropractic, and massage are the most frequently used alternative services, according to the Harvard study. Almost 90 percent of patients sought out an alternative medical provider on their own, and 70 percent did not inform their own doctor they were also using an unconventional therapy.
Table 9.1. Use of Unconventional Therapy for the Ten Most Frequently Reported Conditions

<table>
<thead>
<tr>
<th>Condition</th>
<th>Patients Reporting Use of Unconventional Therapy</th>
<th>Used Unconventional Therapy in past 12 months</th>
<th>Average visits to Unconventional Therapist in past 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Back problem</td>
<td>20%</td>
<td>36%</td>
<td>19</td>
</tr>
<tr>
<td>Allergies</td>
<td>16</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Arthritis</td>
<td>16</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Insomnia</td>
<td>14</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>Sprains/strains</td>
<td>13</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Headache</td>
<td>13</td>
<td>27</td>
<td>6</td>
</tr>
<tr>
<td>High blood pressure</td>
<td>11</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Digestive problems</td>
<td>10</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>Anxiety</td>
<td>10</td>
<td>28</td>
<td>6</td>
</tr>
<tr>
<td>Depression</td>
<td>8</td>
<td>20</td>
<td>7</td>
</tr>
</tbody>
</table>


**Naturopathic Versus Allopathic Medicine**

Before the arrival of antibiotics and the full array of modern medicines, physicians were much more likely to use a blend of natural and scientific approaches for the treatment of disease. Naturopathy, a system of medicine where only natural methods are used, relies on manual manipulation, nutrition, hygiene, food science, and immunization. Recent studies by the American Association of Naturopathic Physicians (1991) identify the differences in the approaches of naturopathic and conventional medicine for several widely occurring conditions:

- Otitis media, or middle ear infection, occurs in about 30 percent of children under six years. Conventional treatment frequently includes surgery, with more than 1 million operations performed at an annual cost in excess of $1 billion. Naturopathic treatment consists of screening for food or environmental sensitivities, increasing the patient’s resistance to disease through natural methods, and simple palliative treatment, at treatment costs averaging $208 to $668 per patient.

- Rheumatoid arthritis, a progressively crippling disease, affects more than 2 million Americans, with 10 percent of patients becoming totally disabled despite full treatment by conventional approaches. Most rheumatoid arthritis patients are treated conventionally using nonsteroidal and anti-inflammatory drugs,
with about 25 percent of patients needing stronger medications such as penicillamine. The Naturopathic strategy is to reduce pain with nontoxic or nonpharmacological agents as much as possible, reduce inflammation, and instill positive lifestyle factors such as weight reduction. Naturopathic medicine does not cure arthritis. However, with annual costs averaging $378 to $1,768 per patient, it is a cost-effective alternative to conventional treatment.

- Hypertension, or high blood pressure, is one of the most common health conditions, affecting 60 million patients. More than 80 percent of hypertensive patients have mild or moderate disease. Conventional medicine relies on drugs as the primary treatment method, with lifetime drug treatment necessary for most patients. Naturopathic treatment relies on diet, exercise, and lifestyle factors as the primary approach, with support from nontoxic hypotensive botanicals, using drugs as necessary after diet and lifestyle improvements have been made. Naturopathic treatment costs are modest, ranging from $270 to $1,260 per year.

Physician acceptance of complementary and alternative medicine would come more quickly if doctors stayed in control of the patient. A proposal by Dr. Eisenberg would retain patient communication and physician oversight when consumers utilize alternative providers (see Figure 9.1). The concept of physician-directed care includes a conventional medical evaluation to determine symptoms, history, and physical characteristics of each patient (Eisenberg 1997). Doctors then routinely advise patients of both conventional medicine and appropriate alternative therapies, and inquire whether patients are already using, or had used, alternative approaches. Patients referred to alternative providers would be encouraged to keep diaries of their care, and return to their physician for periodic consultation and oversight.

As mainstream medicine accepts more complementary therapies, will physicians change their practice patterns? Despite growing use by patients, many physicians are relatively unaware of this trend, and their patients do not think of doctors as sources for alternative care. Dr. Eisenberg’s research in 1993 demonstrated that most patients sought alternative therapies without consulting their doctor, and many never mentioned their use of unconventional medicine to their physicians (Eisenberg 1993). Self-referral will likely continue as the major source of patients for alternative medicine, despite physician concerns. It is questionable whether HMOs or insurers would pay physicians just to supervise alternative therapists, thereby giving up the savings from consumer’s thrifty use of lower-cost alternatives.
Figure 9.1. Process for Managing Alternative Therapy

<table>
<thead>
<tr>
<th>Week</th>
<th>Visit</th>
<th>Management issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Initial physician visit</td>
<td>Identify principal symptoms</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Review alternative options</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Start symptom diary</td>
</tr>
<tr>
<td>2</td>
<td>Physician follow-up (visit or telephone)</td>
<td>Patient selects alternative therapy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Patient selects alternative provider</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Review questions to be asked of provider</td>
</tr>
<tr>
<td>3–4</td>
<td>Initial visit to alternative provider</td>
<td>Treatment plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Timetable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conflicts</td>
</tr>
<tr>
<td>4–5</td>
<td>Physician follow-up (visit or telephone)</td>
<td>Review plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Assess safety</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Begin monitoring</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continue diary</td>
</tr>
<tr>
<td>6–12</td>
<td>Alternative provider follow-up</td>
<td>Treatment as per plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Diary maintained</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communicate with physician</td>
</tr>
<tr>
<td>13</td>
<td>Physician follow-up</td>
<td>Review experience</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Review diary</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continue or discontinue therapy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Review options</td>
</tr>
</tbody>
</table>


Paying for Complementary Medicine

HMOs are climbing aboard the complementary medicine bandwagon. Wall Street analyst Kenneth Abramowitz of New York-based Sanford C. Bernstein & Co. calls HMOs “Model T’s,” implying that they are falling behind the times by offering similar benefits and products (Edlin 1997). Abramowitz attributes HMO accommodation of alternative medicine as a way to differentiate the plans, segment markets, and appeal to preferred customers.

Plans that offer remedies such as chiropractic and massage, homeopathy, hypnosis, nutrition, and vitamin therapy were given a boost in 1997 when New York-based Oxford Health Plan credentialled a network of alternative therapists and marketed heavily (Lagado 1997). Former Oxford CEO Stephen Wiggins, who broke new ground with his company’s
endorsement of alternative medicine, observes, "Oxford's members have made it clear that they would welcome the choice of selecting one or both styles of medicine" (Myczek 1997). Oxford's strategy of giving consumers access to alternative medicine has a promising beginning. The plan grew from 1 million to 1.9 million enrollees in three years in the mid-90s, before succumbing to computer overload and financial distress. Oxford remains committed to complementary medicine, and is cooperating with Beth Israel Deaconess Medical Center in Boston and Harvard Medical School to conduct research based on the outcomes of Oxford enrollees using the complementary medicine network.

Insurance coverage of complementary medicine is expanding. The Matthew Thornton Health Plan began covering alternative therapies for its New England enrollees in 1997. Mutual of Omaha now covers Dr. Dean Ornish's program of complementary medicine in treatment of hypertensive patients, a plan that has gained a national reputation for treating heart patients with a regimen of diet and exercise, not surgery. His program's results showed costs were 57 percent lower for patients in the Preventive Medicine Research Institute, based in Sausalito, California (Ziegler 1997). Thirty-eight other plans now offer some coverage for unconventional medicine, according to a national survey (Shinkman 1997).

**CAM Treatments Offer Cost-Effective Alternatives**

Unconventional therapies may have a secret weapon in gaining mainstream acceptance from health plans and employers—lower costs. Many nontraditional health methods are cheaper than the conventional medicine they replace or complement. These lower-cost treatments are gaining in popularity with providers and health plans, as well as consumers:

- **Heart disease**: Dr. Ornish's year-long heart disease program of vegetarian diet, exercise, and meditation costs $5,000, versus $15,000 for angioplasty, or $45,000 for bypass surgery (Gemignani 1996).
- **Back care**: Patients with chronic back pain might pay as much as $40,000 for spine surgery, compared with a weekly treatment cost of $400 for chiropractic and acupuncture (Japsen 1995b).
- **Chronic pain**: A study of patients with chronic pain demonstrated that patients trained in relaxation techniques reduced clinic visits by 36 percent in the first year. The cost of care for these patients dropped from $64,000 to $39,000 after two years of employing relaxation as a complementary therapy (Campbell 1997).

With evidence like this, employers are coming around to alternative medicine, albeit slowly. Overcoming employer uncertainty about adding alternative medicine to health benefits is understandable, according to Clem Bezold of the Institute for Alternative Futures in Alexandria,
Virginia: “There’s an understandable skepticism to these softer styles by people who are supposed to be tough decision-makers” (Ziegler 1997). Research and a growing body of anecdotal information are helping persuade major companies to add alternative medicine to their health benefits programs, at least as an option. The Health Excellence program at Dallas-based Texas Instruments applies biofeedback and other stress reduction techniques to Texas Instrument employees in high-demand and low-control jobs.

In the next few years, employers will have more scientific evidence to evaluate alternative therapies. Over $12 million in federally sponsored research has been financed by the Office of Alternative Medicine at the National Institute of Health since it was established in 1992. The Office of Alternative Medicine established two research centers, one at the University of Seattle and another at the Minnesota Medical Research Foundation (Firshhein 1995). The Office produced a 420-page report, *Alternative Medicine: Expanding Medical Horizons*, which covers the first two and a half years of research by over 200 medical researchers and practitioners (Japsen 1995a). Currently, the renamed National Center for Complementary and Alternative Medicine, operates a popular web site, www.nccam.nih.gov, that offers more than 180,000 library references extracted from the National Library of Medicine’s MEDLINE database (Flory 1999).

**Spirituality and Healing**

Beyond cost savings, many pioneering providers are entering the field of complementary and alternative medicine because they believe that conventional medicine is missing important components of comprehensive care. A holistic concept of care includes spirituality and the patients’ mind-body connections. Stephen Bickel, M.D., director of the Center for Well Being in La Jolla, California, comments, “It’s a strange phenomenon we’ve seen in the 20th century, where people equate medicine with technology. There has been a dislodgment of the spiritual part, and I think that has left a void for a lot of people” (Shinkman 1997). At Harvard Medical School in Boston, Herbert Benson, M.D., author of *Timeless Healing: The Power and Biology of Belief*, is one of the leading researchers in the field of mind-body medicine in the United States (1997). His pioneering studies in stress and health opened the eyes of traditional physicians, and brought credibility to alternative medicine.

In Oregon, the Mid-Columbia Medical Center is pushing the envelope of conventional medicine. Located 70 miles east of Portland, this rural regional medical center in 1996 established the Center for Mind-Body Medicine, and launched a series of programs that focus on the
spiritual side of healing. CEO Mark Scott says, “We’re starting at birth
to promote a set of health-promoting attitudes by our patients, and we
believe that spirituality is a major component of progressive patient care”
(Scott 1997). A growing body of medical research supports the faith
factor as a significant and positive aid in healing. According to Dale
Matthews, M.D., of the Georgetown University School of Medicine,
who has extensively reviewed the research in this field, “Faith is good
medicine” (1998).

Mid-Columbia’s alternative care programs begin with family-cen-
tered birthing and post-partum care. Child development and early health
education are important bases for healthy living, so the hospital cooper-
ates with local schools, and matches the school district dollar-for-dollar
in health education programs. The hospital is active in a coalition of four
local hospitals that focus on adolescent health. A regional survey polls
local youth on more than 40 positive health and developmental factors,
and promotes community-wide efforts to improve them. The Center
for Mind-Body Medicine sponsors conferences that bring together local
healthcare providers with experts in spirituality, art, and music.

The emphasis on spirituality also aligns with the Mid-Columbia
managed care strategy. “Seventy percent of our primary care patients
bring us stress-related conditions,” Mark Scott reports. Reducing stress
has a direct impact on our capitated costs of care. Mid-Columbia is
building an interactive web site that will provide local health consumers
an opportunity to become informed on a wide array of health and healing
approaches, including conventional medicine, health promotion, and
spirituality.

New Technology Meets Complementary Medicine

High-tech and alternative medicine are partnering to apply new science
to ancient healing arts. A promising example of high-tech CAM is the
emerging field of bioelectric magnetics (the ability to affect physiological
functioning through electromagnetic fields). Respected institutions are
conducting many clinical trials, and several studies have been published
in peer-reviewed journals.

Magnets are highly popular among athletes and sports-minded baby
boomers, and those with chronic musculoskeletal problems. Advocates
are finding an even wider range of medical uses for bioelectric magnetics.
This new field is still controversial, however, and bioelectric magnetics
as a medical treatment is regarded as alternative by some members of
the scientific community. Yet, bioelectric magnetic therapy is based on
the same high-tech advances and principles as the MRI, the ECT, and the
TENS: the body’s billions of positively and negatively charged ions are altered by electromagnetic fields. Research studies demonstrate the efficacy of this new technology in medical applications. In a study of mental illness, scientists conducted a controlled clinical trial on the impact of TMS (transcranial magnetic stimulation) on treatment-refractory depression. Physicians from the Medical University of South Carolina experimented with a small, powerful electromagnet placed on the patient’s scalp. The therapy appears literally to jump-start sluggish regions of the brain, restoring normal function for hours to weeks (George et al. 1997). Another study at the University of Washington in Seattle reported promising effects from extremely low-frequency pulsed electromagnetic signals upon patients with multiple sclerosis. Patients wore individually programmed “Endermed” devices that were effective with some patients in reducing fatigue, muscle spasticity, and bladder control problems. Large-scale multicenter clinical trials have been funded by the Multiple Sclerosis Association of America, and the developer, Energy Medical Developments of Vancouver, Washington. Future areas for research are focusing on migraine headaches, chronic fatigue syndrome, Parkinson’s disease, and attention-deficit hyperactivity disorder.

Complementary Medicine Clinics

Tradition-bound hospitals, physicians, and health plans have been edging into the field of complementary and alternative medicine. Market observers believe that the fortunes of unorthodox medical therapies are beginning to turn, and they may take the fortunes of hospitals and managed care plans along for the ride (Campbell 1997). Most complementary medicine services are delivered on an ambulatory care basis, but some alternative therapies have been incorporated into inpatient care, such as massage, visualization, and spirituality.

To overcome skepticism from traditional providers such as physicians, the hospitals are requiring their alternative therapists to document all care, monitor symptoms and pain levels, practice infection control, and document outcomes. Health plans are credentialling their own networks of alternative providers, and bringing therapists once-considered “unconventional” under the control of managed care utilization managers.

Treatments that in the past were dismissed as quackery or untested are now gaining adherents among some of the best-known medical centers in the United States. Pioneering programs at medical centers and health systems have established models for hospital-based ambulatory programs (Advisory Board 1996b):
• Stress Reduction Clinic at the University of Massachusetts Medical in Worcester, Massachusetts: Directed by Jon Kabat-Zinn, Ph.D., and author of Full Catastrophic Living, the ambulatory program is eight weeks, or available as a five-day residential program.

• Pain Program and Stress Management Clinic, Rehabilitation Institute in Pittsburgh, Pennsylvania: This pain program includes psychological interventions such as meditation, counseling, and biofeedback, with physical interventions, including physical therapy and hatha yoga. Most patients are referred by physicians.

• Chopra Center for Well-Being, Sharp Healthcare System in La Jolla, California: The center is associated with Deepak Chopra, M.D., the best-selling author of Perfect Health. This center for mind-body healing relies on Ayurveda, an Indian-based philosophy of meditation and nutrition. Services include physician consultation, chiropractic, herbal therapy, hatha yoga, and massage therapy. Sharp Healthcare’s sponsorship includes research projects in breast cancer and cardiac care.

Types of Alternative Clinics

Holistic medicine and nontraditional therapies have a good strategic fit with the managed care emphasis on health promotion, disease management, and substitution of lower-cost ambulatory services. A recent survey by Landmark Healthcare of HMOs in 13 states and mature managed care markets found that 70 percent of HMOs reported an increase in consumer demands for alternative care therapies, and 58 percent of the plans intended to offer alternative therapies within the next two years (Campbell 1997). Although the concept is new, several approaches are already emerging in the packaging and delivery of alternative medicine services:

• Alternative medicine clinics: Typical services include testing, health education, acupuncture, nutrition, macrobiotics, chiropractic, relaxation and stress reduction, meditation, yoga, herbal medicine, and homeopathy. Most do not want to be called alternative centers. These complementary medical programs have defined themselves as therapeutic, holistic, or mind and body centers.

• Back care centers: The prevalence of spine problems offers a significant opportunity for hospital-sponsored alternative clinics. Chiropractic care is one of the most frequently sought complementary therapies. Eight in ten Americans will need back care at least once in their lives. Persistent as well as occasional back problems are widespread, and many patients have found relief with chiropractic care. A recent Louis Harris poll reported that more than one in three Americans had sought back treatment in the past five years. Of those seeking care, 59 percent saw chiropractor
physicians, as opposed to 69 percent that saw medical doctors (Simpson 1996). In fact, the Harris poll showed that patients more often were satisfied with their chiropractic physicians than with their medical doctors. In Plano, Texas, the Texas Back Institute is a multidisciplinary approach that combines orthopedics, chiropractic, physical medicine, and rehabilitation in a research-oriented program. The multispecialty approach is popular with consumers and referring physicians. The Texas Back Institute draws patients from four adjacent states and across the nation.

- **Pain centers:** Hospital-sponsored pain centers offer conventional and complementary medical therapies, including acupuncture, chiropractic, biofeedback, herbal therapy, and visualization techniques.

- **For-profit clinics:** Entrepreneurs are rapidly entering the field of alternative medicine. Chicago-based Americal Holistic Center (AHC) was started in 1985 to assist hospitals, physician groups, and health systems to establish alternative care centers (Japsen 1995b). AHC has a prototype center at Grant Hospital, a Columbia/HCA facility in Chicago, with other clinics being established in Illinois, Michigan, California, New Mexico, and New York. The typical AHC center offers nutrition, herbal therapy, homeopathy, yoga, and visualization techniques. The Grant Hospital center has three holistic physicians. Most patients are self-referred.

**Provider Acceptance of Complementary Medicine**

For many hospitals and healthcare providers that have not operated from a holistic perspective, acceptance of nontraditional therapies is long overdue. Most healthcare providers have been followers, rather than leaders, in embracing new treatments or delivery approaches. Here are a few basic reasons why hospitals and physician groups must examine the potential of complementary and alternative medicine (Campbell 1997).

- The market for alternative care is already established and being met by others.
- Hospitals need to develop new revenue sources and service lines. Alternative and traditional medicine can be complementary.
- Even better, managed care is applying approaches that align with alternative medicine.

Following are benefits and advantages of establishing hospital-sponsored alternative medicine clinics:

- **Startup capital:** Getting started in alternative medicine does not require a major capital outlay. Except for fitness centers, many holistic medicine programs do not require specialized facilities or
inpatient care. Equipment costs for low-tech items, such as massage tables, are not capital assets, and can be expensed in the year they are acquired.

- **Few barriers to entry:** Alternative medicine programs generally operate under a business license, and do not require certificate of need or a special license from local or state agencies. Some alternative therapists operate under state licensing requirements (e.g., psychology, chiropractic, acupuncture, physical therapy, and rehabilitation).

- **Complementary concept:** Holistic medicine practices that some health professionals regard as unconventional can be introduced more successfully when used to complement rather than replace traditional medical programs such as rehabilitation, behavioral medicine, and primary care. A hospital-owned fitness center can offer a complementary medicine array of exercise, education, and nutrition programs.

- **One-stop shopping:** A comprehensive alternative medicine clinic can offer many nontraditional therapies under one roof. Ease of access, professional atmosphere, and the hospital's reputation assure consumers that alternative medicine programs are mainstream.

- **Community image:** Hospitals can broaden their market scope by offering alternative medicine programs in line with consumer demands.

### Are Hospitals Risking Their Reputations with CAM?

Can hospitals, the citadels of traditional medicine, successfully “turn on” to complementary and alternative medicine? Many factors must be overcome, as a report by the Washington, D.C.-based Advisory Board suggests (1996b):

- **Physician support:** In hospital-sponsored ambulatory programs, physician support is an important factor. A growing number of physicians are accepting nontraditional approaches.

- **Research:** Many claims for nontraditional medicine have not been validated by scientific research. Academic medical centers, such as the Columbia University Rosenthal Center for Alternative and Complementary Medicine, are doing research to evaluate the outcomes of alternative therapies.

- **Minimal reimbursement:** Insurance coverage for many forms of alternative medicine is limited or unavailable. To date, 41 states mandate chiropractic, and eight states require health insurance coverage for acupuncture (Colgate 1995).
Mainstream Healthcare Adopts Alternative Therapies

- **For-profit competitors**: They will be competing with for-profit alternative care programs that may be closer to holistic health consumers than traditional hospitals.
- **Limited profitability**: Many hospitals do not expect major returns on investment for their alternative medicine clinics. Alternative medicine services are low-cost ambulatory care, not big-ticket items such as surgery or inpatient hospitalization. Services are typically low-price, insurance coverage is limited, and many patients pay in cash.

Looking Forward: A New Model of Care

A new model of healthcare is emerging that will blend the best of high technology, alternative therapies, and spirituality. The new model is both patient-centered and community-oriented. It harnesses the power of modern medicine, balancing high-tech with a caring touch. Boundaries are blurring between traditional and alternative medicine (Annison 1997). The new model recognizes that Americans make more than 300 million visits each year for nontraditional therapies (Eisenberg 1993).

Futurist Michael Annison of Denver-based Westrend says, “The question is not whether or not we will change the pattern of medical care in the new millennium, but rather how gracefully and effectively we can accomplish the transition” (Annison 1997). He predicts that the medical team in the new millennium may be fundamentally different, made up of new providers who will rearrange traditional healthcare teams of doctors, nurses, and allied health practitioners. Alternative providers such as acupuncturists, chiropractors, massage therapists, and podiatrists will seek—and obtain—credentials to practice from hospitals and managed care plans; however, their fight for acceptance may be noisy at the local level.

Establishing hospital and health plan credentialing standards for alternative therapists will be controversial at first. The underlying issue is who is in control. Physician organizations such as the American Medical Association have dominated privileging of healthcare providers in the past. The AMA is worried that traditional medicine may be invaded by unconventional therapists whose services compete with established medical practitioners. When Oxford announced its alternative medicine network, Nancy Dickerson, M.D., chair of the AMA, skeptically asked: “Is this what consumers want, or is it to save money?” (Lagnado 1997). The nation’s biggest physician organization recently backed away from publishing a book on alternative medicine, putting the project on hold after the controversial deal with Sunbeam Corp. raised many concerns within the AMA (American Health Line 1997).
Practice guidelines for complementary and alternative medicine would speed widespread adoption by traditional providers and insurance plans, if the guidelines were evidence-based, demonstrated positive health outcomes, and showed cost efficiency over conventional medicine. The National Institutes of Health recently convened a panel to discuss the future of guidelines in complementary and alternative medicine, and found few existing guidelines or scientific evidence in this field (Woolf 1997). The patient-centered nature of alternative medicine makes it a moving target for guideline development. Therapists consider every patient unique, and treatments are customized for each individual. A more productive approach may be to expand existing guidelines on conventional medical practices to include alternative therapies. Still, many physicians and health plans will wait for clinical trials before fully accepting CAM.

Is over-commercialism a future threat to alternative medicine? Current supporters of alternative therapies and unconventional medicine have struggled for acceptance and payment. This may change rapidly if HMOs and insurers move to broaden coverage. The next big market entrant may be pharmaceutical firms. For example, drug makers are looking hard at “nutraceuticals,” the pharmacological products of food, or parts of food, that offer medical and/or health benefits (Tarlaich 1997). Pharmacy companies also are tracking native medicines and developing their own branded dietary supplements such as echinacea and St. Johns Wort. Pharmaceutical giants could put their substantial advertising resources into direct-to-consumer marketing for herbal remedies and alternative treatments, thus rapidly speeding their mass-market adoption.

In creating a balanced approach to healthcare, both traditional and nontraditional practitioners must find common ground. A patient-focused approach recognizes the benefits of a wide array of therapies. The status quo still favors technology, but a growing movement within medicine is more tolerant of nonconventional therapies provided in a complementary manner. Today’s well-established health system has much to learn from alternative approaches. There is no room for zealots. The mainstream adoption of complementary medicine may be rocky if advocates refuse to compromise their beliefs, leaving patients confused and causing havoc among medical staffs.

**Strategies for Hospitals, Physicians, and Health Plans**

**Hospitals**

Consumer acceptance of alternative medicine is broad and substantial. Many of the best-known healthcare organizations are involved. This
is a classic example of the diffusion of a new idea. The innovators and early adapters are already well into CAM. Hospitals that have not become involved in alternative medicine are asking whether CAM is competitive with the hospital’s ambulatory care service offerings, or with their medical staff. Hospitals are also questioning the low profitability of CAM services, because most are not costly. Hospital involvement in CAM is a “mission and vision” issue. The market is there, but services may only break even or need subsidy, especially if the hospital’s overhead is fully costed to the CAM services. Lavish facilities may look great, but high rents are probably not feasible. Financial support could be provided by the hospital’s foundation, with startup funding or facilities donation. Hospitals must take the long view in a five-year development strategy, and consider this a community service if it does not make sense financially.

**Physicians**

Although physician skepticism continues, CAM has reached mainstream services as a set of complementary therapies. A broadening stream of research findings is now coming through, and within ten years, many of the most popular CAM treatments will have been thoroughly tested. Both the *New England Journal of Medicine* and the *Journal of the American Medical Association* have devoted a large amount of space to CAM research. Every physician must ask their patients whether they are concurrently taking CAM therapies or homeopathic drugs. The most successful CAM clinics have strong physician leadership, and include primary care and certain specialist services, including diagnostics such as bone-density scanning. CAM is a window of opportunity for physicians to treat the whole patient, and take advantage of the array of CAM treatments that may assist their patient. The ultimate medical benefit from CAM may be when the physician community recognizes the contribution of spirituality and mental attitude to total health and well being.

**Health Plans**

As baby boomers become the most important set of healthcare consumers, health plans will be under mounting pressure to offer CAM benefits. An important step will be the credentialling of CAM providers. Some CAM services are already widely accepted by health plans (e.g., chiropractic and acupuncture). Acceptance of CAM services by health plans may not be as costly as expected. Costs for CAM services are low, in comparison with traditional healthcare. Offering CAM benefits is a way to differentiate a health plan or HMO in a crowded market, and may even provide the rationale for a premium price.
Sources


