

## **SOUTHWEST HEALTH OPTIONS (SHO)**

(A complementary and alternative medicine independent practice association (IPA) for insured patients in Santa Fe, New Mexico)

**Background** – The state insurance commission in New Mexico has required coverage of CAM therapies by the conventional insurance industry. Integration of CAM therapies with conventional medicine for patients with medical insurance has been difficult and limited by:

- 1) variation in practice standards,
- 2) diverse credentialing standards,
- 3) no standardized referral patterns from the primary care provider,
- 4) no reliable cost data, and
- 5) difficulty using traditional billing codes.

**Model** - Southwest Health Options was an independent practice association (IPA) in New Mexico. All members were licensed in NM to practice medicine, maintained malpractice insurance, and met the credentialing standards set up by SHO, Santa Fe Health Care, and Presbyterian Health Plan. The following therapies were: chiropractic, acupuncture, medical acupuncture, homeopathy, osteopathy, massage therapy, and therapeutic yoga. On-call schedules for patient triage were maintained for the services offered and monthly peer review and utilization management meetings were held.

**Participants** - 33 licensed providers with the following licenses: MD, DO, PA, DC, and DOM. All providers signed a contract directly with SHO. SHO in turn signed a contract to manage alternative and complementary medicine with a local MCO working with Presbyterian Health Plan.

### **Results**

- This IPA provided the complementary and alternative medical care for approximately 12,000 patients insured by Presbyterian Health Plan in Santa Fe from 1998 through 2000.
- Fee schedules with co-payments were negotiated for each specialty. Data was collected on referral patterns, diagnosis, number of visits, cost, and qualitative aspects of patient care.
- The most frequently utilized service was chiropractic followed by acupuncture (> 1,000 visits). Homeopathy, osteopathy, massage therapy, and therapeutic yoga all had distinctly less visits (< 100 visits).
- The referral patterns from PCP to CAM specialist were primary driven by patient request (75%). A smaller group of referrals were sent to the SHO administrator for triage to the appropriate specialist (8%). 17% of referrals were from the PCP directly to a specific CAM specialist.
- Per member per month costs (PMPM) averaged \$1.12; higher than allowed by some national plans.

**Conclusions**

- Per member per month costs (PMPM) averaged \$1.12; higher than allowed by some national plans.
- Existing structures for the delivery of patient to those with insurance can be used in some instances. The lack of a standard codeset is problematic and does not facilitate the development of reliable actuarial data.
- Cost will vary according to the type of plan chosen.
- Per member per month (PMPM) cost in this plan averages \$1.12.