

# cam basics

## Paying for CAM Treatment

Many people using or thinking about using complementary and alternative medicine (CAM) treatments may have questions about paying for treatment. This fact sheet provides a general overview of related topics and suggests sources for additional information.

### CAM Spending in the United States

According to the 2007 National Health Interview Survey (NHIS), adults in the United States spent an estimated \$33.9 billion out-of-pocket on CAM treatments during the past 12 months. Of the \$33.9 billion, adults spent an estimated \$22.0 billion on self-care costs (i.e., CAM products, classes, and materials), while they spent the remaining \$11.9 billion on visits to CAM practitioners. Out-of-pocket expenditures on CAM treatments accounted for approximately 1.5 percent of total health care expenditures and 11.2 percent of the total out-of-pocket health care expenditures in the United States.

### Paying for CAM Out of Pocket

People usually pay for CAM services and products themselves, i.e., “out of pocket.” Even if they have health insurance (the 2007 NHIS found that about one-third of uninsured respondents younger than age 65 used CAM), there is a good chance that their plan does not cover most, or any, CAM therapies.

### Asking CAM Practitioners About Payment

If you are planning to use a CAM service, it is important to understand about payment before you begin treatment. Here are some questions to ask the practitioner:

- **Costs:** What does the first appointment cost? What do follow-up appointments cost? How many appointments am I likely to need? Are there any additional costs (e.g., tests, equipment, supplements)?
- **Insurance (if you have a health insurance plan):** Do you accept my insurance plan? What has been your experience with my

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- plan's coverage for people with my condition? Do I file the claims, or do you take care of that?
- Payment options (if it would be difficult for you to pay the full fee for each visit): Could you arrange a payment plan over time? Do you offer a sliding-scale fee (i.e., fees based on income and ability to pay)?

## **Private Insurance and CAM**

Private health insurance plans may offer coverage of certain CAM therapies, such as chiropractic, acupuncture, and massage. Overall, however, coverage of CAM therapies is relatively limited—compared with coverage of conventional therapies. One factor is a lack of scientific evidence regarding the cost-effectiveness of CAM therapies. As consumer interest in CAM grows, more insurance companies and managed care organizations may consider offering coverage of CAM therapies shown to be safe and effective.

### ***About Employer-Sponsored Health Plans***

Many people with private health insurance are covered by employer-sponsored plans. While these employer-sponsored plans are more likely than others to offer CAM coverage, the benefit is likely to cover only certain CAM therapies, and other restrictions may apply:

- Deductibles and/or copayments may be higher than those for conventional care.
- You may need preauthorization or a referral from your primary care physician.
- You may be limited to an approved network of providers.
- There may be ceilings on the number of visits or the annual dollar amount paid.

Some employers offer CAM coverage by allowing employees to purchase CAM “riders” to their standard health insurance plans. Some offer discount programs, in which plan members pay for CAM services out-of-pocket but at a discounted rate the insurer has negotiated with participating providers.

General information on employer health plans and benefits is available from the U.S. Department of Labor at [www.dol.gov/dol/topic/health-plans/index.htm](http://www.dol.gov/dol/topic/health-plans/index.htm).

### ***Understanding Your Insurance Plan's Coverage of CAM***

It is important to read your plan to find out whether it discusses coverage of the CAM therapy in which you are interested. If you have questions, contact the insurance company before you decide about having treatment. Examples of questions to ask include:

- Is this treatment covered for my health condition?
- Does this treatment need to be
  - Preauthorized or preapproved?
  - Ordered by a prescription?
- Do I need a referral from my primary care provider?
- Do I have to see a practitioner in your network in order to be covered?
- Do I have any coverage if I go out-of-network?

- Are there any limits and requirements—for example, on the number of visits or the amount you will pay?
- How much do I have to pay out-of-pocket?

Keeping records about all contacts you have with the insurance company, including notes on calls and copies of bills, claims, and letters, is a good idea. This will help you if a dispute arises about a claim.

### **Sources of Information on Insurers**

Your state insurance department may be able to help you determine which insurance companies cover CAM. Contact information for these departments is available at [www.consumeraction.gov/insurance.shtml](http://www.consumeraction.gov/insurance.shtml).

Professional associations for CAM specialties may monitor insurance coverage and reimbursement in their field. You can search for them on the Internet or ask a reference librarian for help.

#### **Tax-Related Matters**

Two kinds of **tax-exempt accounts** help people save money for health expenses, and may help you cover CAM costs. The **flexible spending account** is a benefit offered by some employers; it allows you to set aside pretax dollars each pay period for health-related expenses. The **health savings account** is for people who participate in high-deductible health plans (also called catastrophic health plans); you, not an employer, establish this kind of account. For more information, see Internal Revenue Service (IRS) Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans ([www.irs.gov/pub/irs-pdf/p969.pdf](http://www.irs.gov/pub/irs-pdf/p969.pdf)).

Some CAM expenses may be **tax deductible**. In tax year 2009, the IRS allowed taxpayers to deduct medical expenses for acupuncture, chiropractic care, and osteopathic care. For more information, see IRS Publication 502, Medical and Dental Expenses ([www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf)).

### **Federal Health Benefit Programs**

The Federal Government helps with at least some of the health expenses of people who are eligible for Federal health benefit programs, such as programs for veterans, people age 65 and older (Medicare), and people who cannot afford health care (Medicaid, funded jointly with the states).

Information on health benefits for veterans is available from the U.S. Department of Veterans Affairs at [www1.va.gov/health/](http://www1.va.gov/health/). Information on Medicare and Medicaid is available from the Centers for Medicare and Medicaid Services at [www.cms.hhs.gov/](http://www.cms.hhs.gov/). Two other Internet resources—GovBenefits ([www.govbenefits.gov](http://www.govbenefits.gov)) and USA.gov ([www.usa.gov](http://www.usa.gov))—explain Federal health benefit programs. GovBenefits has a test you can take about qualifying for programs.

## **NCCAM's Role**

The National Center for Complementary and Alternative Medicine (NCCAM) helps to build the evidence base used to make decisions about whether CAM treatments are safe and effective. Financial help for CAM treatment is not part of NCCAM's mission. NCCAM does sponsor clinical trials (research studies in people) of some CAM treatments. To find out what therapies are being studied and whether you might qualify to participate, go to [nccam.nih.gov/research/clinicaltrials](http://nccam.nih.gov/research/clinicaltrials) or contact the NCCAM Clearinghouse (see "For More Information").

## **For More Information**

### **NCCAM Clearinghouse**

The NCCAM Clearinghouse provides information on CAM and NCCAM, including publications and searches of Federal databases of scientific and medical literature. The Clearinghouse does not provide medical advice, treatment recommendations, or referrals to practitioners.

Toll-free in the U.S.: 1-888-644-6226

TTY (for deaf and hard-of-hearing callers): 1-866-464-3615

Web site: [nccam.nih.gov](http://nccam.nih.gov)

E-mail: [info@nccam.nih.gov](mailto:info@nccam.nih.gov)

### **PubMed®**

A service of the National Library of Medicine (NLM), PubMed contains publication information and (in most cases) brief summaries of articles from scientific and medical journals. CAM on PubMed®, developed jointly by NCCAM and NLM, is a subset of the PubMed system and focuses on the topic of CAM.

Web site: [www.ncbi.nlm.nih.gov/sites/entrez](http://www.ncbi.nlm.nih.gov/sites/entrez)

CAM on PubMed®: [nccam.nih.gov/research/camonpubmed](http://nccam.nih.gov/research/camonpubmed)

### **Agency for Healthcare Research and Quality (AHRQ)**

AHRQ conducts research on health care outcomes, quality, costs, use, and access. It also has consumer information on health insurance and other topics, including the publication Questions and Answers About Health Insurance: A Consumer Guide.

For public inquiries: 1-301-427-1364

Web site: [www.ahrq.gov](http://www.ahrq.gov)

Consumer insurance information: [www.ahrq.gov/consumer/qualcare.html#plans](http://www.ahrq.gov/consumer/qualcare.html#plans)

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