NC CHIROPRACTIC ASSOCIATION

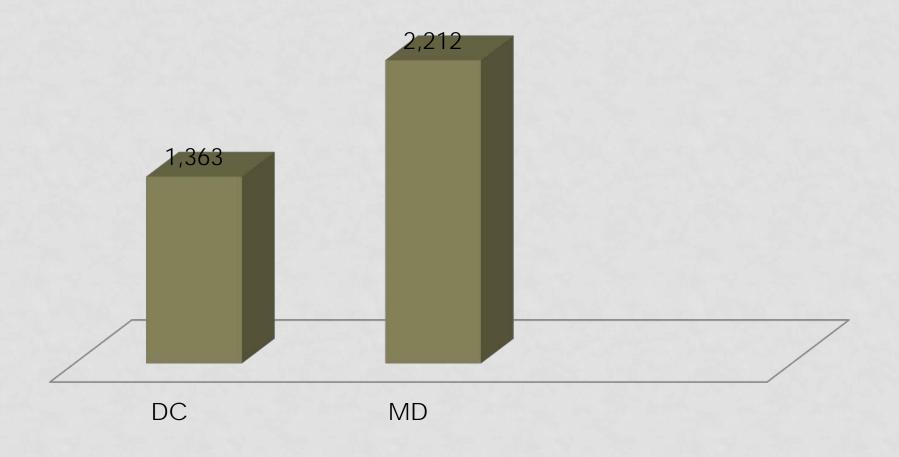
LOWER CHIROPRACTIC CO-PAYS WILL RESULT IN SAVINGS TO THE STATE HEALTH PLAN

Dr. Joe Siragusa - Executive Director www.ncchiro.org drjoe@ncchiro.org 919-832-0611 ext. 104

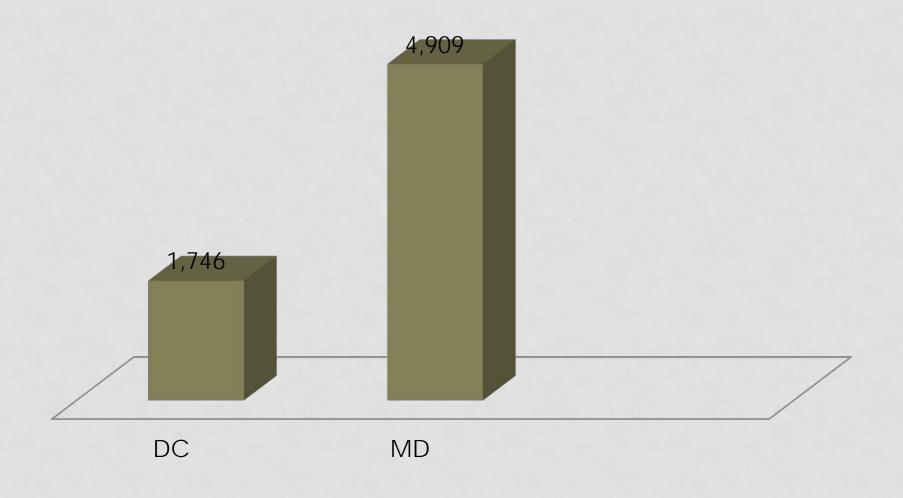
OVER 7 MILLION CLAIMS CAN'T BE WRONG!

- Study was authorized by the NC General Assembly in 2009.
- Conducted with the assistance of the SHP Executive Administrator, Senior Health Care Analyst and the cooperation BCBS of NC.
- Retrospective closed claim analysis of the costs of treating neck pain, low back pain and headache in patients insured by the State Employees Health Plan (SHP) in NC from 2000-2009.
- Research was conducted by epidemiologists at the University of Hawaii and funded by grants (Not the NCCA). Principal Investigator Dr. Shawn Phelan.

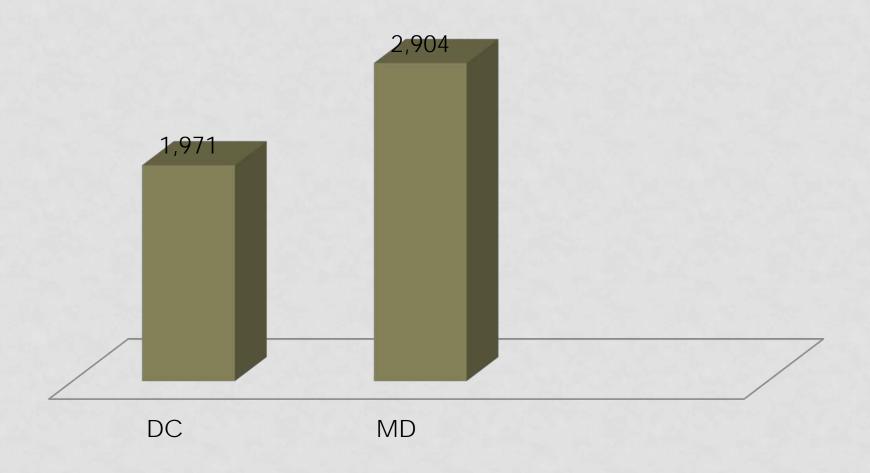
AVERAGE TOTAL PER PATIENT SHP CHARGES: 2009 UNCOMPLICATED LOW BACK PAIN



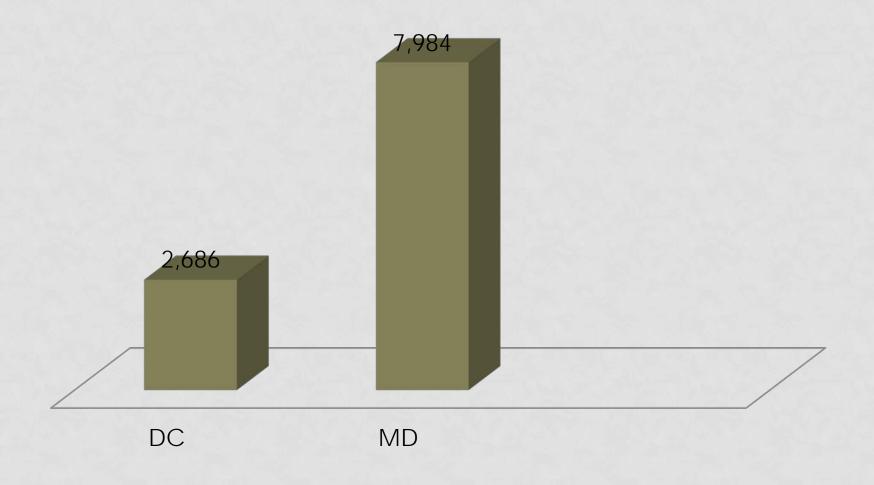
AVERAGE TOTAL PER PATIENT SHP CHARGES: 2009 COMPLICATED LOW BACK PAIN



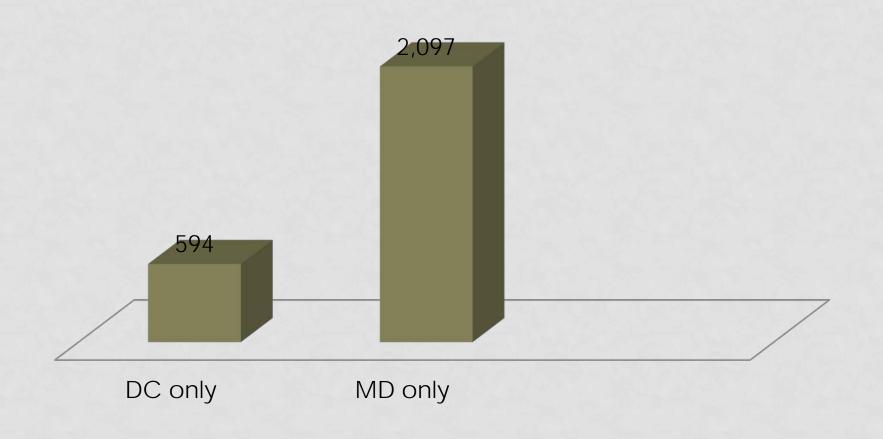
AVERAGE TOTAL PER PATIENT SHP CHARGES: 2009 UNCOMPLICATED NECK PAIN



AVERAGE TOTAL PER PATIENT SHP CHARGES: 2009 COMPLICATED NECK PAIN



RISK-ADJUSTED AVERAGE TOTAL ALLOWED CHARGES FOR HEADACHE: 2009



WHAT DOES THE SHP INCENTIVIZE

?

70/30 Plan

MD Primary Care \$35 (plus prescriptions)

DC Primary Care \$64

Co-pay difference for an 8 visit DC treatment plan = \$232

80/20 Plan

MD Primary Care \$30 (plus prescriptions)

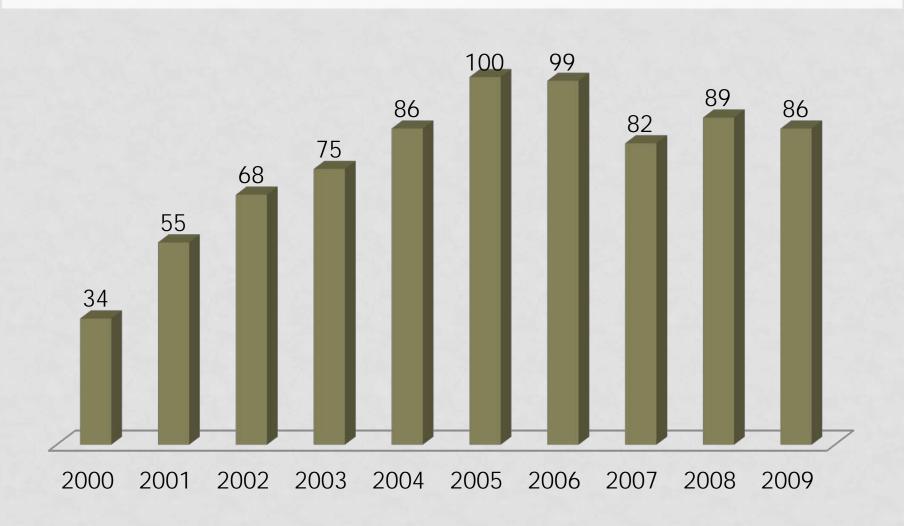
DC Primary Care \$52

Co-pay difference for an 8 visit DC treatment plan = \$176

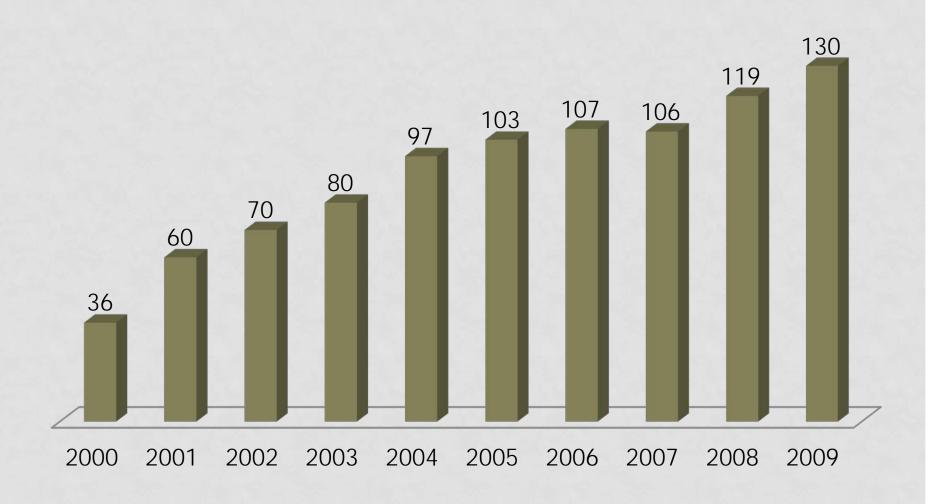
WHY WILL LOWER CO-PAYS SAVE THE SHP MILLIONS OF DOLLARS?

- We can compare the cost trends from 2000-2009 with ONE YEAR of lower chiropractic co-pays.
- In 2006 the general assembly passed legislation to equalize chiropractic co-pays with primary care copays.
- Approximately, one year later that legislation was repealed (for political reasons).
- During that one year, costs to the SHP for the selected conditions DROPPED by millions of dollars but rose again after repeal.

TOTAL SHP CHARGES: 2000-2009 FOR NECK PAIN (MILLIONS)



TOTAL SHP CHARGES: 2000-2009 FOR LOW BACK PAIN (MILLIONS)



WHY SHOULD SHP CHIROPRACTIC CO-PAYS BE LOWERED?

- Chiropractic Care for low back pain, neck pain, and headache is safe, non-drug, non-surgery care for State Health Plan insureds, provided by Doctors of Chiropractic who are licensed by the state of NC.
- Chiropractic Care is cost-effective compared to standard medical care for selected conditions and can save the patient money.
- Chiropractic care, when properly incentivized by lower co-pays can potentially save the SHP millions of dollars.