

## **GROWTH OF COMPLEMENTARY ALTERNATIVE MEDICINE (CAM) IN THE UNITED STATES**

- Total out-of-pocket expenditures relating to CAM therapies in 1997 were estimated at \$27 billion, comparable to the projected 1997 out-of-pocket expenditures for all US physician services.[1]
- Estimated expenditures for alternative medicine professional services increased 45% between 1990 and 1997 and were conservatively estimated at \$21.2 billion in 1997, with at least \$12.2 billion paid out-of-pocket. This exceeds the 1997 out-of-pocket expenditures for all US hospitalizations.[2]
- From 1990 to 1997, use of one of 16 alternative therapies increased from 34% to 42%, while the probability of users visiting a CAM practitioner increased from 36% to 46%.[3]
- Total visits to CAM practitioners increased from 427 million in 1990 to 629 million in 1997, exceeding total visits to all US primary care physicians.[4]
- An estimated 15 million adults in 1997 took prescription medications concurrently with herbal remedies and/or high dose vitamins (18% of all prescription users).[5]

## **SUPPLEMENTS, HERBS, VITAMINS, HOMEOPATHY**

- About one-quarter of pharmaceutical drugs are derived from plants.[6]
- 60% of the U.S. Population has used and 50% currently use herbal, botanical and/or dietary supplements.[7]
- Vitamins and herbal supplements accounted for \$12 billion in annual sales in 1999 representing a compounded annual growth rate of 80% from 1996 figures.[8]

- The retail market vitamins, minerals and other dietary and nutritional supplements (excluding sports nutrition and diet products) grew at a compound annual rate of 15% from \$3.7 billion in 1992 to \$6.5 billion in 1996. Much of this growth came from the sale of supplements (primarily herbal products), which grew from \$570 million in 1992 to \$2.3 billion in 1996, fueled by the popularity of such herbs as Echinacea, garlic, ginseng, ginkgo biloba. More recently, palmetto, St. John's wort and kava kava have increased in popularity.[9]

#### **CAM BREAKDOWN**

- According to a study published by the Millbank Memorial Fund, 44% of those using CAM therapies are college educated, 39% had incomes exceeding \$35,000, and 44% were adults aged 25-49. [10]
- The National Center for Homeopathy, a private organization, estimates that Americans are spending \$165 million a year for homeopathic preparations and that sales are rising by 20-25% each year.[11]
- An estimated 6,500 acupuncturists practice in the United States
- The 16 American chiropractic colleges graduate more than 2,800 chiropractors each year. As of 1996, more than 71,000 licensed chiropractors practiced in all fifty states, Puerto Rico, and the Virgin Islands.[12]
- The fastest growing CAM therapies include herbal medicine, massage, megavitamins, self-help groups, folk remedies, energy healing, and homeopathy.[13]

#### **GROWING ACCEPTANCE OF CAM BY HOSPITALS AND INSURANCE COMPANIES**

- From 1998 to 1999, the number of community hospitals offering complementary medicine services increased by one-third to more than 11%, according to the American Hospital Association.[14]
- More than 70% of insurers, half of them Blue Cross/Blue shield plans, cover at least one form of CAM therapy when medically indicated.[15]
- According to a 1998 nationwide study conducted by Landmark Healthcare, 45% of the respondents would be willing to contribute part of the additional cost for coverage of alternative treatments. More than two-thirds said the availability of alternative care is important when choosing a health plan.[16]

#### CONVENTIONAL MEDICAL CARE

- Expenditures on prescription drugs in the United States has grown from \$69 billion in 1996 to \$155 billion in 2001. Meanwhile, the annual percentage change of health insurance premiums has risen from 3% in 1996 to 17% in 2001. [17]
  - A study by the Kaiser Family Foundation found that 75% of large companies and 42% of small ones are likely to raise premiums for their employees in 2002.[18]
  - From the spring of 2000 to the spring of 2001, annual premiums for employer-sponsored plans grew to \$2,650 for single coverage and \$7,053 for family coverage, according to the study of 2,734 companies. The previous year, premiums increased an average of 8.3 percent, while premiums rose 4.8 percent in 1999.[19]
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[1] *JAMA*. "Trends in Alternative Medicine Use in the United States, 1990-1997." Vol. 280 No.18, November 11,1998. 1569-1575.

[2] *Ibid*

[3] *Ibid*

[4] *Ibid*

[5] *Ibid*

[6] Millbank Memorial Fund. "Enhancing the Accountability of Alternative Medicine." January 1998. The Fund is an endowed national foundation that supports nonpartisan analysis, study, and research on significant issues in health policy.

[7] American Nutraceutical Association

[8] Natural Foods Merchandiser

[9] The Packaged Facts Report, 1997

[10] Millbank Memorial Fund. "Enhancing the Accountability of Alternative Medicine." January 1998.

[11] *Ibid*

[12] *Ibid*

[13] *JAMA*. "Trends in Alternative Medicine Use in the United States, 1990-1997." Vol. 280 No.18, November 11,1998. 1569-1575.

[14] *Modern Healthcare*. "Going Alternative." July 23, 2001.

[15] Onebody.com

[16] *Employee Benefit News*. "Alternative Therapy Getting Under the Skin of Employers and Insurers." January 1, 1999.

[17] *Business Week*. "America, This is Really Going to Hurt." September 17, 2001.

[18] *Ibid*

[19] *Ibid*