



## MORE BATTLES AMONG LICENSED OCCUPATIONS

### Estimating the Effects of Scope of Practice and Direct Access on the Chiropractic, Physical Therapist, and Physician Labor Market

---

Primary-care physicians, chiropractors, and physical therapists (PTs) may all potentially treat patients experiencing back and neck pain. This common function places the three occupations in competition with each other in a \$300 billion industry. Chiropractors and PTs provide a lower-cost product, but they face market barriers in the form of scope-of-practice laws and direct-access limitations.

A new study from the Mercatus Center at George Mason University reviews the history of regulation of chiropractic and PT services and analyzes state-by-state data to discover the effects of these regulations on the markets for neck and back pain therapy. The findings suggest that expansions in chiropractic scope of practice are associated with an increase in average chiropractor wages, but there is little evidence that PT direct access has affected the labor market for any of the three practitioners. However, allowing chiropractors and PTs more freedom of practice may result in lower healthcare costs.

To read this study in its entirety and learn more about the authors, Saint Francis University Associate Professor Edward J. Timmons, Emory University Associate Professor Jason M. Hockenberry, and University of North Carolina Associate Professor Christine Piette Durrance, please see [“More Battles among Licensed Occupations: Estimating the Effects of Scope of Practice and Direct Access on the Chiropractic, Physical Therapist, and Physician Labor Market.”](#)

#### BACKGROUND

Patients experiencing back or neck pain may go to see chiropractors, physical therapists, or traditional physicians. The medical community has historically viewed chiropractors with suspicion, and scope-of-practice laws that vary state by state have limited chiropractors' capabilities. PTs have historically been subordinate to physicians and have only recently been permitted, through direct-access laws, to see patients without a physician referral. Today all states permit direct

For more information, contact  
Kyle Precourt, 703-993-8196, [kprecourt@mercatus.gmu.edu](mailto:kprecourt@mercatus.gmu.edu)  
Mercatus Center at George Mason University  
3434 Washington Boulevard, 4th Floor, Arlington, VA 22201

access to PTs, but other limitations persist. The restrictions placed on chiropractors and PTs, like the limitations placed on other medical practitioners, may influence their earnings, hours worked, and employment.

## FINDINGS

The following results are developed from econometric analysis applied to data from the 1970–2000 US census, the 2001–2010 American Community Survey, the Federation of Chiropractic Licensing Boards, and the American Physical Therapy Association:

- *Wages.* Chiropractors earn more if they work in states that have more expansive scope-of-practice laws, while direct-access laws for physical therapists appear to reduce chiropractor earnings. However, direct-access laws do not increase PT wages. Neither scope-of-practice nor direct-access laws appear to significantly impact physician wages.
- *Hours worked and employment.* Expansion of chiropractors' scope of practice modestly decreases hours worked. This result implies that the aforementioned increase in wages is a result of chiropractors' ability to charge higher fees, suggesting that expanded chiropractor scope of practice enhances consumer perceptions about the quality of chiropractor care. Direct-access laws for PTs also reduce hours worked for chiropractors, again suggesting that the two occupations compete for patients.

## CONCLUSION

Neither PTs nor chiropractors are perfect substitutes for primary-care physicians. In certain instances, such as when patients are experiencing neck or back pain, patients may receive better-quality care at lower prices by seeing a chiropractor or PT as opposed to a physician. Consumer welfare is likely to be improved by having greater access to lower-priced care and more choices for pain treatment. Expanding the scope of practice for mid-level healthcare providers such as chiropractors and PTs may improve the efficiency of the healthcare market in the United States.