

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0311-01  
Bill No.: HB 121  
Subject: Health Care; Health Care Professionals; Insurance - Medical; Physicians  
Type: Original  
Date: January 21, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Highway Fund	(Unknown)	(Unknown)	(Unknown)
Insurance Dedicated	\$8,000	\$0	\$0
Other Funds	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Federal Funds	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Missouri Department of Conservation** assume the proposal will not fiscally impact their organization.

Officials from the **Department of Social Services (DOS)** state the provisions of this proposal do not apply to the Medicaid program. Therefore, the proposal will have no impact on DOS.

Officials from the **Department of Insurance** state the department estimates 160 insurers and HMOs would be required to submit amendments to their policies to comply with the proposal. Policy amendments must be submitted to the department for review along with a \$50 filing fee. One time additional revenues to the Insurance Dedicated Fund are estimated to be \$8,000.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews, the department will need to request additional staff to handle the increase in the workload.

**ASSUMPTION** (continued)

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** defer to the Department of Transportation for response regarding the fiscal impact of this proposal on the MHP.

Officials from the **Department of Transportation (DOT)** state that currently the medical plan covers only the manual manipulation of the spine by a licensed chiropractor to correct the subluxation that has been demonstrated by X-ray from a physician or chiropractor (the plan allows coverage for one X-ray by a chiropractor per calendar year). Covered services for manual manipulations are limited to 30 treatments per calendar year. Assuming that the Medial Plan would have to cover office visits as well as many of the other services that a chiropractor offers and not limit the number of treatments per calendar year, there would be a substantial fiscal impact to the medical plan. Without knowing the exact procedures or how many individuals would start utilizing a chiropractor, there is no way to estimate a fiscal impact. DOT feels the impact would be very substantial due to the increase in coverage as well as an increase in utilization.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** stated this proposal includes chiropractic care under the definition of "health care services" under Chapter 376. Under Chapter 376 (which include managed care organizations), patients are to have direct access to chiropractic care from a participating provider. The benefit level for such care shall not be discriminatory in terms of licensure, limit diagnosis, treatment or management or reimbursement.

HCP currently offers chiropractic care in the same manner as any medical condition under the HMO and Co-pay plans. However, HCP's gatekeeper HMOs currently require a referral from the gatekeeper. This proposal eliminates the referral process. This will increase their costs to some extent. Generally, when the health carriers cannot direct and manage care through a gatekeeper, increased costs are realized.

Some overall additional cost is expected. However, because cost is a function of the acquisition of an unknown level of elevated chiropractic experience, a specific dollar amount is difficult to estimate. For example: for every 1/2% increase in premium, the state's cost will increase by approximately \$1,299,000; for every 1/2% increase in premium, the public entities' cost will increase by approximately \$96,618.

FISCAL IMPACT - State Government

FY 2004  
(10 Mo.)

FY 2005

FY 2006

**GENERAL REVENUE**

Costs - Missouri Consolidated Health  
 Care Plan

Increase in state contributions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON    GENERAL REVENUE FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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**HIGHWAY FUND**

Costs - Department of Transportation  
 Increase in contributions

	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET IMPACT TO    HIGHWAY FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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**INSURANCE DEDICATED FUND**

Income - Department of Insurance  
 Form filing fees

	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT ON    INSURANCE DEDICATED FUND</b>	<b><u>\$8,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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**OTHER FUNDS**

Costs - Missouri Consolidated Health  
 Care Plan

Increase in contributions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT TO    OTHER FUNDS</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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**FEDERAL FUNDS**

Costs -Missouri Consolidated Health  
 Care Plan

Increase in contributions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT TO  
 FEDERAL FUNDS**

	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Local Government

	FY 2004 (10 Mo.)	FY 2005	FY 2006
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**ALL POLITICAL SUBDIVISIONS**

Costs - All Political Subdivisions

Increase in contributions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON ALL  
 POLITICAL SUBDIVISIONS**

	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

Small businesses could be affected by this proposal which could result in higher health insurance premiums.

DESCRIPTION

This proposal requires health insurers to provide chiropractic care as part of basic health care services for covered conditions. Health plan enrollees must be able to select their own chiropractic physician from the provider network without a referral or prior authorization. Health carriers that utilize gatekeepers may not misinform or fail to inform enrollees of the availability of chiropractic care. The proposal also requires health carriers to apply the same deductibles, co-payments, co-insurance amounts, fees, benefit limits, practice parameters, and utilization review to all in-network health care providers. It also prohibits health carriers from discriminating against any health care provider or group of providers based on licensure.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation  
 Department of Social Services  
 Department of Public Safety -

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Missouri Highway Patrol  
Missouri Consolidated Health Care Plan  
Department of Insurance  
Missouri Department of Conservation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
January 21, 2003