

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1668-01
Bill No.: HB 598
Subject: Chiropractors; Medicaid; Health Care
Type: Original
Date: April 2, 2013

Bill Summary: This proposal requires licensed chiropractors to be reimbursed under the MO HealthNet Program for providing services currently covered and within the scope of chiropractic practice.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Unknown, greater than \$3,065,382)	(Unknown, greater than \$4,488,435)	(Unknown, greater than \$4,663,484)
Total Estimated Net Effect on General Revenue Fund	(Unknown, greater than \$3,065,382)	(Unknown, greater than \$4,488,435)	(Unknown, greater than \$4,663,484)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenditures net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health** and the **Department of Health and Senior Services** each assume the proposal would not fiscally impact their respective agencies.

Section 208.960

Officials from the **Department of Social Services-MO HealthNet Division (MHD)** assume the legislation requires chiropractors to be reimbursed under MO HealthNet for providing services currently covered by MO HealthNet and within the scope of chiropractic practice. This legislation will increase utilization of currently paid procedure codes.

Studies that determined the utilization of chiropractic care in the general population were reviewed to determine the potential number of MO HealthNet participants who might receive chiropractic care if this legislation passed. It is assumed that utilization in the MO HealthNet population will be similar to the general population. The National Institutes of Health (May, 2004) found that 7.5% of adults used chiropractic care within the previous 12 months. The Southern Medical Journal (April, 2000) reported that 8.7% of adults used chiropractic care within the previous 12 months. The National Institutes of Health (2007) found that 3% of children had used chiropractic services in the previous 12 months. MHD chose to use 8% for adults and 3% for children as the estimate of the percentage of the MO HealthNet population that will use chiropractic services.

The number of MHD participants age 19 and above in FY12 was 406,688. It is estimated that 32,535 ($406,688 \times 8\%$) participants will utilize chiropractic care. There were 547,049 children less than 19 years of age. It is estimated that 16,411 ($547,049 \times 3\%$) will utilize chiropractic care. Therefore, a total of 48,946 participants are estimated to use chiropractic care.

It is assumed under this legislation chiropractors would, at a minimum, bill for manipulative treatment and certain physical therapies. The cost developed below is for manipulative treatment only and it is assumed additional unknown cost would be incurred for physical therapies. Procedure codes 98925, 98926, 98927, 98928, and 98929 are codes which are currently utilized for osteopathic manipulative treatment. An average rate for these procedure codes is \$28.93.

The number of medically necessary chiropractic visits that will be prior authorized for each participant is not known. For the purpose of the fiscal note it is assumed that a series of 8 visits per year will be authorized. It is possible that some participants will receive more visits and some less. The annual cost for one person will be \$231 ($8 \text{ visits} \times \$28.93 = \$231$ rounded).

ASSUMPTION (continued)

It is assumed there will be only a 10 month cost in FY14. Medical inflation of 3.9% was applied to FY15 and FY16.

FY14 (10 months) Total: Unknown > \$9,440,052 (Unknown > \$3,065,382 GR; Unknown > \$6,374,670 Federal);

FY15 Total: Unknown > \$11,769,857 (Unknown > \$4,488,435 GR; Unknown > \$7,281,422 Federal); and

FY16 Total: Unknown > \$12,228,881 (Unknown > \$4,663,484 GR; Unknown > \$7,565,397 Federal).

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
<u>Costs</u> - DSS-MHD (§208.960)			
Chiropractic benefit expenditures	<u>(Unknown, greater than \$3,065,382)</u>	<u>(Unknown, greater than \$4,488,435)</u>	<u>(Unknown, greater than \$4,663,484)</u>
ESTIMATED NET EXPENSE ON THE GENERAL REVENUE FUND	<u>(Unknown, greater than \$3,065,382)</u>	<u>(Unknown, greater than \$4,488,435)</u>	<u>(Unknown, greater than \$4,663,484)</u>
FEDERAL FUNDS			
<u>Income</u> - DSS-MHD			
Program reimbursements (§208.960)	Unknown, greater than \$6,374,670	Unknown, greater than \$7,281,422	Unknown, greater than \$7,565,397
<u>Costs</u> - DSS-MHD			
Program expenditures (§208.960)	<u>(Unknown, greater than \$6,374,670)</u>	<u>(Unknown, greater than \$7,281,422)</u>	<u>(Unknown, greater than \$7,565,397)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal would directly have a positive impact on small business chiropractic providers that choose to enroll in the MO HealthNet Program and provide services to Medicaid recipients.

FISCAL DESCRIPTION

This proposal requires the MO HealthNet Division within the Department of Social Services to reimburse licensed chiropractors for specific services. These services include examinations, diagnoses, adjustments, manipulations and treatments in both inpatient and outpatient settings. If a chiropractor is specially certified by the Missouri Board of Chiropractic Examiners in the Division of Professional Registration within the Department of Insurance, Financial Institutions and Professional Registration covered services may also include meridian therapy, acupressure, or acupuncture.

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 Mental Health
Department of Health and Senior Services
Department of Social Services -
MO HealthNet Division



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Acting Director
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