

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1323-01  
Bill No.: SB 313  
Subject: Chiropractors; Health Care; Insurance - Medical; Insurance Department  
Type: Original  
Date: February 16, 2001

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Insurance Dedicated	\$10,000	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

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## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Transportation** and the **Department of Conservation** assume this proposal would not fiscally impact their agencies.

**Department of Insurance (INS)** officials state that health insurers and HMOs would be required to amend policy forms in order to comply with this proposal. INS states that they anticipate that current appropriations and staff would be able to absorb the work for implementation of this proposal. However, if additional proposals are approved during the legislative session, INS may need to request an increase in appropriations due to the combined effect of multiple proposals. INS states there are 171 health insurers and 29 HMOs that offer health insurance coverage. INS states that of the health insurers, many offer coverage through out-of-state trusts which are not typically subject to such mandates. INS estimates that 171 health insurers and 29 HMOs would each submit one policy form amendment resulting in revenues of \$10,000 to the Insurance Dedicated Fund. If multiple proposals pass during the legislative session which would require form amendments to be filed, the insurers would probably file one amendment for all required mandates. INS states this would result in increased revenue of \$10,000 for all proposals.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state the proposal would increase access to chiropractic services for insurance purposes. HCP states the proposal would add chiropractic services to the definition of "basic health care services" and "health care services" under 354.400 RSMo. It would also allow a member of a managed care organization to self-refer to a participating chiropractor for up to 24 visits. Additional visits would be based on medical review. Upon enrollment and upon request thereafter, the carriers would be responsible to notify the enrollees of the chiropractic benefits. And finally, the proposal would require reimbursement, copayments, deductibles and coinsurance not be unfairly discriminatory.

HCP states the current HCP contracts provide chiropractic benefits. The HMO, POS and Copay network benefits require a referral from the PCP. However, there is no visit limit and the copayment is the same for a medical visit with a participating PCP. The PPO plan requires the member to pay their appropriate network coinsurance after meeting their deductible. The visits, however, are limited to a \$50 maximum with a \$2,000 annual maximum.

With this proposal, HCP members may access their chiropractor without a referral. This provision would increase chiropractic utilization and the associated costs. However, given HCP's current benefit design they would not anticipate the effects of this proposal to be too substantial.

**Department of Social Services (DOS)** officials state the proposal would not have a fiscal impact on the Division of Medical Services (DMS). DMS states that in section 376.1230 of the

ASSUMPTION (continued)

proposal, it requires health carriers to provide coverage from a chiropractic physician by self-referral. DMS states that Medicaid is not defined as a health care carrier but as a public service benefit.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** did not respond to fiscal impact request.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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**INSURANCE DEDICATED FUND**

<u>Income - Department of Insurance</u>			
Form filing fees	<u>\$10,000</u>	<u>\$0</u>	<u>\$0</u>

<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<b><u>\$10,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses (chiropractors) would expect to be fiscally impacted due to an ability to gain Medicaid provider status.

DESCRIPTION

This proposal would require managed care organizations to provide benefits to enrollees who utilize the services of a chiropractic physician. The managed care organization would provide benefits for 24 self-referral visits under certain specified conditions. After the initial visit to the chiropractor would send its findings to the managed care organization within ten days. After the 24 self-referral visits, further visits by the enrollee would be subject to utilization review. If continued care would be recommended beyond 24 visits, the chiropractor would send the managed care organization information concerning the enrollee's progress and need for continued

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DESCRIPTION (continued)

care. If the managed care organization does not respond within 7 business days, the recommendation would be deemed authorized. A chiropractor who does not provide the required documentation would not be able to seek unpaid fees from the enrollee. This proposal would also require every policy, issued by a health carrier which covers physician services or major medical, to provide coverage for chiropractic care as part of its basic health care services. An enrollee would have the opportunity to select a participating provider from a list of participating chiropractors. The enrollee would have the right to obtain clinically necessary and appropriate initial and follow-up care without prior approval. Health carriers would notify enrollees that chiropractic care benefits are available. Health carriers would reimburse a chiropractic physician equally for similar services and would not discriminate against the physician based on his or her 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 Conservation  
Department of Social Services  
Missouri Consolidated Health Care Plan  
Department of Insurance

**NOT RESPONDING: Department of Public Safety - Missouri State Highway Patrol**



Jeanne Jarrett, CPA  
Director

February 16, 2001