

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4686-01
Bill No.: HB 1509
Subject: Chiropractors; Health Care; Insurance - Medical
Type: Original
Date: March 8, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Insurance Dedicated Fund	\$8,000	\$0	\$0
Other State Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown)	(Unknown)	(Unknown)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Federal Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services** and **Missouri Department of Conservation** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of the proposal on their organization.

Officials from the **Missouri Department of Transportation (DOT)** state the proposal amends the statute on mandated chiropractic care. This proposal will have no fiscal impact on the MHTC/DOT. The Highway and Patrol Medical Plan does not fall within the definition of “health care plan” or “health carrier”. Further, the replacement of “another physical health condition” with “other out-patient primary health care” and the use of language regarding direct access within a health carrier’s network suggest that the proposal is not applicable to the medical plan, but it is applicable to such managed care plans like HMOs.

Since, by use of such language, this proposal is limited to HMOs or other such managed care plans, then Section 104.801 would not require the Medical Plan to offer similar coverage and this proposal would not have any fiscal impact on the Highway and Patrol Medical Plan.

ASSUMPTION (continued)

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state the HCP currently offers chiropractic care in the same manner as any medical condition under the HMO and Copay Plans. This proposal would allow access to chiropractic care within the network for a total of 26 visits per episode per policy period without a referral. These additional visits could increase cost to some extent. However, it is extremely difficult to project the overall cost impact.

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

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 INS will need to request additional staff to handle the increase in workload.

This proposal will increase Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE FUND			
<u>Costs - Missouri Consolidated Health Care Plan</u>			
Increase in state share of health care premiums	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
INSURANCE DEDICATED FUND			
<u>Income - Department of Insurance</u>			
Form filing fees	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
OTHER STATE FUNDS			
<u>Costs - Missouri Consolidated Health Care Plan</u>			
Increase in state share of health care premiums	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
FEDERAL FUNDS			
<u>Costs - Missouri Consolidated Health Care Plan</u>			
Increase in state share of health care premiums	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2005 (10 Mo.)	 FY 2006	 FY 2007
ALL LOCAL GOVERNMENTS			
<u>Costs - All Local Governments</u>			
Increase in health plan premiums	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON ALL LOCAL GOVERNMENTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
 <u>FISCAL IMPACT - Small Business</u>			

This proposal would have a direct fiscal impact both on small employers who pay some or all of their employees health benefit costs and small business chiropractors.

DESCRIPTION

This proposal changes the laws regarding health insurance coverage for chiropractic care. In its main provisions, the proposal:

- (1) Requires every health benefit plan to provide coverage for chiropractic care delivered by a licensed chiropractor;
- (2) Requires the coverage to allow an enrollee direct access to a participating chiropractor of the enrollee's choice within the health carrier's network;
- (3) Requires coverage for initial diagnosis and clinically appropriate and medically necessary services and supplies. Up to 26 office visits for chiropractic health care per diagnosed disorder per plan year are covered;
- (4) Prohibits a health carrier from requiring an enrollee or chiropractor to provide prior notice or to request prior authorization as a condition of coverage for the first 26 office visits for chiropractic health care;
- (5) Allows a health carrier to require the enrollee or chiropractor to provide prior notice or request prior authorization as a condition of coverage for chiropractic office visits in excess of the 26 office visits per diagnosed disorder per plan year. The excess office visits which are clinically appropriate and medically necessary will be covered;
- (6) Requires the coverage to clearly disclose to enrollees the availability of chiropractic health care benefits and any limitations or exclusions in coverage;
- (7) Prohibits any health benefit plan from imposing greater deductibles and co-insurance or establishing different dollar limits for chiropractic health care than for other out-patient primary health care; and
- (8) Exempts certain health insurance policies from providing coverage for chiropractic health care.

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 Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State 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
March 8, 2004