

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4686-04  
Bill No.: HCS for HB 1509  
Subject: Chiropractors; Health Care; Insurance - Medical  
Type: Original  
Date: April 16, 2004

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Department of Social Services, Missouri Consolidated Health Care Plan** and **Missouri Department of Conservation** assume the proposal would 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 **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
<b>INSURANCE DEDICATED FUND</b>			
<u>Income - Department of Insurance</u>			
Form filing fees	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
<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>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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 direct access to chiropractic care within the health provider's network for at least twenty-six visits per policy period;
- (4) 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 plan year;
- (5) Requires the coverage to clearly disclose to enrollees the availability of chiropractic health care benefits and any limitations or exclusions in coverage;
- (6) 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
- (7) Exempts certain health insurance policies from providing coverage for chiropractic health care.
- (8) Prohibits health carriers denying medically necessary and appropriate chiropractic care or tests provided the documents are submitted supporting the additional tests or continued treatment.

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



Mickey Wilson, CPA  
Director  
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