

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1743-02
Bill No.: HB 729
Subject: Chiropractors; Health Care; Insurance - Medical
Type: Original
Date: February 21, 2007

Bill Summary: Prohibits health carriers from changing any diagnostic or current procedural terminology code submitted by a health care provider without the written permission of the health care provider.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(Unknown exceeding \$3,131,667)	(Unknown exceeding \$3,758,000)	(Unknown exceeding \$3,758,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown exceeding \$3,131,667)	(Unknown exceeding \$3,758,000)	(Unknown exceeding \$3,758,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
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 2008	FY 2009	FY 2010
Federal	\$0*	\$0*	\$0*
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0*	\$0*	\$0*

* Income and expenses to exceed \$6 million annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
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 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Transportation, Department of Mental Health, Department of Health and Senior Services, Department of Public Safety (DPS) - Director's Office, Department of Insurance, Financial and Professional Regulation, and Missouri Department of Conservation** assume the proposal will have no fiscal impact on their organizations.

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

Officials from the **Missouri Consolidated Health Care Plan (HCP)** assume the health carrier would still be able to "re-bundle" services if appropriate. This means if the provider bills full charge for multiple services and, according to the CPT Coding Guidelines, the services should have been billed under fewer codes or some codes reimbursed at a lower rate, the health carrier could still make adjustments. If this is the proper interpretation of this proposal, there will be no fiscal impact to the HCP.

However, if this interpretation is not correct, then this practice of upcoding (billing for a higher level of services than actually provided) could add significant costs that would be reflected in higher premiums.

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** state the proposed legislation will have an impact on the DMS, but the impact is unknown greater than \$10 million.

Section 376.748.3 requires health carriers to reimburse physical therapists, occupational therapists, podiatrists, and chiropractic physicians no less than the federal Medicare reimbursement rate.

Missouri Medicaid does not cover chiropractic services, but does cover physical and occupational therapy for children, pregnant women, and the blind. The fiscal impact to raise those codes to 100% of Medicare rates is unknown, but greater than \$7.5 million. A comparison of Medicare rates to current Medicaid reimbursement rates indicate that, on average, Medicaid rates are 35% of Medicare rates.

Podiatry services are covered, except for 5 codes that were eliminated for adults (except pregnant women and the blind) with the passage of SB 539 (2005). The fiscal impact to raise covered podiatry services to 100% of Medicare rates will be \$2.5 million.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Costs - Department of Social Services</u>			
Increase in Medicaid program costs	<u>(Unknown exceeding \$3,131,667)</u>	<u>(Unknown exceeding \$3,758,000)</u>	<u>(Unknown exceeding \$3,758,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown exceeding \$3,131,667)</u>	<u>(Unknown exceeding \$3,758,000)</u>	<u>(Unknown exceeding \$3,758,000)</u>
FEDERAL FUNDS			
<u>Income - Department of Social Services</u>			
Increase in Medicaid program reimbursements	Unknown exceeding \$5,201,667	Unknown exceeding \$6,242,000	Unknown exceeding \$6,242,000
<u>Costs - Department of Social Services</u>			
Increase in Medicaid program costs	<u>(Unknown exceeding \$5,201,667)</u>	<u>(Unknown exceeding \$6,242,000)</u>	<u>(Unknown exceeding \$6,242,000)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
* Income and expenses to exceed \$6 million annually and net to \$0.			

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal will impact small business physical and occupation therapists and podiatrists if they participate in the Medicaid program and reimbursement rates are increased.

FISCAL DESCRIPTION

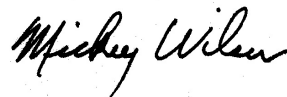
This proposal prohibits a health carrier from changing any diagnostic or current procedural terminology code submitted by a health care provider without the provider's written permission.

Therapy, podiatry, and chiropractic services must be reimbursed at least at the federal Medicare reimbursement rate, and health carriers must pay licensed chiropractors at the same rate as other health care providers for the same or similar medically necessary treatments.

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

Missouri Department of Transportation
Department of Insurance, Financial and Professional Regulation
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Department of Public Safety -
 Director's Office
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Missouri Department of Conservation



Mickey Wilson, CPA
Director
February 21, 2007