

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1171-02
Bill No.: SB 228
Subject: Insurance - Medical; Chiropractors; Health Care Professionals
Type: Original
Date: February 9, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Insurance Dedicated	\$0 to \$8,000	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to \$8,000	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Conservation** assume the proposal would have no fiscal impact on their organization.

Officials from the **Department of Social Services (DOS)** state the proposal requires health carriers to reimburse non-network chiropractors using the same formula as any other non-network provider. There is no fiscal impact to the DOS because section 376.1230.4 states that the provisions of the section do not apply to benefits provided under the Medicaid program.

Officials from the **Department of Public Safety (DPS) - Director's Office** defer any cost estimates to the Office of Administration and the Missouri Consolidated Health Care Plan since health care premiums are handled through those agencies.

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 Department of Transportation (DOT)** state currently, the Highway and Patrol Medical Plan has coverage limitations and exclusions on services provided by chiropractors, but the plan does provide equivalent rates of reimbursement for non-network chiropractors as other non-network providers. As a result, the proposal will have no fiscal impact on the Highway and Patrol Medical Plan.

ASSUMPTION (continued)

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state the proposal would require health carriers to reimburse non-network chiropractors by using the same formula as any other non-network provider, if the carrier reimbursed for other non-network services. The HCP plans, with the exception of the Copay Plan through First Health, currently do not offer non-network benefits and, therefore, would not be impacted by this proposal. The Copay Plan applies a 30% coinsurance provision to non-network services. This is the routine percentage for almost all non-network services (a few have a 20% coinsurance provision). There is also a \$2,000 annual maximum. Currently all non-network chiropractors are reimbursed according to the same percentage as other non-network providers. Therefore, this proposal would have no fiscal impact to the HCP.

Officials from the **Department of Insurance (INS)** state the INS estimates 160 insurers and HMOs might 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 \$0 to \$8,000.

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 may result in an increase in total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
INSURANCE DEDICATED FUND			
<u>Income - Department of Insurance</u>			
Form filing fees	<u>\$0 to \$8,000</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$0 to \$8,000</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could impact the reimbursement for services provided by small business, non-network chiropractors.

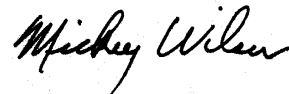
DESCRIPTION

This proposal requires health carriers to reimburse non-network chiropractors according to the same formula as any other non-network provider is reimbursed. Under current law, a health carrier is not required to reimburse for services rendered by a non-network chiropractor unless prior approval has been obtained from the health carrier.

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 -
 Director's Office
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Department of Insurance
Missouri Department of Conservation



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