

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0372-01
Bill No.: HB 138
Subject: Chiropractors; Health Care; Insurance - Medical; Insurance Dept.
Type: Original
Date: January 27, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(Unknown less than \$32,305)	(Unknown less than \$64,610)	(Unknown less than \$64,610)
Total Estimated Net Effect on General Revenue Fund	(Unknown less than \$32,305)	(Unknown less than \$64,610)	(Unknown less than \$64,610)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Insurance Dedicated	\$0 to \$8,000	\$0	\$0
All Other State	(Unknown less than \$7,245)	(Unknown less than \$14,490)	(Unknown less than \$14,490)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$7,245) to \$755	(Unknown less than \$14,490)	(Unknown less than \$14,490)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Federal	(Unknown less than \$10,450)	(Unknown less than \$20,900)	(Unknown less than \$20,900)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown less than \$10,450)	(Unknown less than \$20,900)	(Unknown less than \$20,900)

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety (DPS)** 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 Department of Transportation** 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.

Officials from the **Department of Social Services (DOS)** state Section 376.1230.4 states that the provisions of the proposal shall not apply to benefits provided under the Medicaid program. Therefore, the proposal will have no impact on the DOS.

ASSUMPTION (continued)

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state the proposal would require health carriers to reimburse non-network chiropractors at the same rate as any other non-network provider, if the carrier reimburses 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, although a few have a 20% coinsurance provision. There is also a \$2,000 annual maximum. Should either of these provisions not be allowed, there would be some additional cost that would require higher premiums.

This proposal states that all non-network chiropractors will be reimbursed at the same rate as other non-network providers. HCP assumes that the "same rate" refers to the percentage paid and not the actual dollar amount. Based on this assumption, HCP assumes unknown costs less than \$100,000 annually.

Oversight assumes changes to health insurance provisions would be come effective January 1, 2006.

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 the legislation. 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 for reviews, the INS will need to request additional staff to handle the increase in workload.

This proposal could result in an increase in total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (6 Mo.)	FY 2007	FY 2008
GENERAL REVENUE FUND			
<u>Costs - Missouri Consolidated Health Care Plan</u>			
Increase in insurance premium costs	<u>(Unknown less than \$32,305)</u>	<u>(Unknown less than \$64,610)</u>	<u>(Unknown less than \$64,610)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown less than \$32,305)</u>	<u>(Unknown less than \$64,610)</u>	<u>(Unknown less than \$64,610)</u>
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>
ALL OTHER STATE FUNDS			
<u>Costs - Missouri Consolidated Health Care Plan</u>			
Increase in insurance premium costs	<u>(Unknown less than \$7,245)</u>	<u>(Unknown less than \$14,490)</u>	<u>(Unknown less than \$14,490)</u>
ESTIMATED NET EFFECT ON ALL OTHER STATE FUNDS	<u>(Unknown less than \$7,245)</u>	<u>(Unknown less than \$14,490)</u>	<u>(Unknown less than \$14,490)</u>
FEDERAL FUNDS			
<u>Costs - Missouri Consolidated Health Care Plan</u>			
Increase in insurance premium costs	<u>(Unknown less than \$10,450)</u>	<u>(Unknown less than \$20,900)</u>	<u>(Unknown less than \$20,900)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(Unknown less than \$10,450)</u>	<u>(Unknown less than \$20,900)</u>	<u>(Unknown less than \$20,900)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (6 Mo.)	FY 2007	FY 2008
ALL POLITICAL SUBDIVISIONS			
<u>Costs - All Political Subdivisions</u>			
Increase in insurance premium costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON ALL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

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

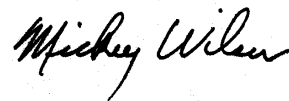
DESCRIPTION

This proposal requires health carriers to reimburse non-network chiropractors at the same rate as any other non-network provider.

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
Department of Insurance
Missouri Consolidated Health Care Plan
Missouri Department of Conservation



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