

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2014

Bill Number: H. 487 **Name of Bill:** An act relating to chiropractic coverage in Medicaid

Agency/ Dept: DVHA **Author of Bill Review:** Ashley Berliner

Date of Bill Review: 2/22/14

Status of Bill: (check one):

☒ X Upon Introduction ☐ As passed by 1st body ☐ As passed by both bodies

Recommended Position:

☐ Support ☐ Oppose ☒ X Remain Neutral ☐ Support with modifications identified in #8 below

Analysis of Bill

1. Summary of bill and issue it addresses.

This bill proposes to:

- Expand Medicaid chiropractic coverage to include:
 - Evaluation and Management (E&M) codes
 - Therapeutic Exercise Codes
 - Passive Care Modalities
 - X-rays
- Reimburse chiropractors at rates comparable to payment for care or services delivered by other health care providers.

The proposed changes in the bill are based on the following presumptions:

- Chiropractic coverage in Medicaid is a cost-effective method of treating certain health conditions, including back and neck pain.
- Chiropractic services are less expensive than similar services provided by other health care providers. In addition, chiropractors treat back and neck pain and other neuromuscular problems without the use of narcotics, opiates, or any other prescription medication.

2. Is there a need for this bill?

Currently, Medicaid does not have a budget for expanding chiropractic coverage or authority from CMS to reimburse for chiropractic coverage beyond manual manipulation of the spine. Legislative action would be necessary to require expansion of chiropractic coverage under Medicaid, and provide funding needed to reimburse for the additional chiropractic services. The Code of Federal Regulation (§440.60) limits chiropractor's services to include only, "treatment by means of manual manipulation of the spine that the chiropractor is legally authorized by the State to perform." Therefore, any expansion in Medicaid chiropractic coverage beyond the current coverage of assessments and manual manipulation of the spine would require 100% state funding, as no federal match would be available.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

Fiscal Impact:

Between SFY 2011 to 2013:

- Average of 7,031 Medicaid beneficiaries receiving chiropractic services annually.
- Average of 36,185 visits/year.
- Average of 5 visits/beneficiary/year.
- Max of 10 visits/beneficiary/year before prior authorization is required.

Based on the averages shown above, the fiscal impact of this bill is estimated to be:

Expanded Service	Mid-range Estimate (average cost * average # of visits)	High-end Estimate (average cost * 10 visits)
E&M visits	\$2,724,536	\$4,156,258
Therapeutic Exercises	\$1,814,701	\$3,629,402
Passive Care Modalities	\$451,742	\$903,484
X-Rays (1 visit only)	\$690,901	
Total:	\$5,681,880	\$8,689,144

The estimates shown above are based on 2011-2013 average utilization. However, DVHA expects that utilization of chiropractic services will increase significantly as Medicaid enrollment continues to expand with the addition of former VHAP and Catamount members.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

No impact expected.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? (for example, public, municipalities, organizations, business, regulated entities, etc)

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why?

The Vermont Chiropractic Association supports the bill, as it provides its members with the ability to bill Medicaid for an expanded scope of chiropractic services.

6.2 Who else is likely to oppose the proposal and why?

Some concern has been expressed over the potential duplication of services for specific conditions (e.g. x-rays for lower back pain).

7. Rationale for recommendation:

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DVHA remains neutral on this bill. However, it is important that the legislature understands that expanding chiropractic services as described in this bill requires 100% state funding, as the state is not eligible to receive federal match for these additional services.

8. Specific modifications that would be needed to recommend support of this bill:

None.

Secretary/Commissioner has reviewed this document:  **Date:** 2/21/14