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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/06

SPONSOR Lundstrom LAST UPDATED _____ HB 31

SHORT TITLE CHIROPRACTIC SERVICES MEDICAID REIMBURSEMENT SB _____

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	None		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY06	FY07	FY08	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
		\$868.0	\$868.0	\$1,736.0	Recurring	General
		\$2,232.0	\$2,232.0	\$4,464.0	Recurring	Federal Medicaid

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

SUMMARY

House Bill 31 proposes to require Medicaid to reimburse licensed chiropractic physicians including the services of licensed doctors of oriental medicine for services rendered within their scope of practice.

SIGNIFICANT ISSUES

HSD reports that Medicaid does not currently reimburse for services provided by licensed chiropractors or licensed doctors of oriental medicine. Including reimbursement to chiropractors and licensed doctors of oriental medicine for their services would be an expansion to the

Medicaid program. Most states do not cover these services under their Medicaid program, as this is an optional service.

FISCAL IMPLICATIONS

By including chiropractors and doctors of oriental medicine to Medicaid's eligible providers and health care benefits, there would be a need for approximately \$3.1 million to support these new providers and services. This figure is based on 2% of all Medicaid recipients (both Fee-for service and managed care) having four (4) visits to a chiropractor or doctor of oriental medicine on an annual basis. The total expenditure is estimated to be \$3.1 million \$868 thousand from the state general fund and \$2.32 million from federal Medicaid participation. The funds would have to be recurring. However, there seems to be uncertainty at HSD since in 2005 the annual cost estimated for this service was \$7.5 million.

Without an appropriation the bill would be unfunded. In order to provide chiropractic and oriental medicine services, other Medicaid services would have to be cut or eliminated to remain within the appropriated budget.

MW/mt