OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

H.B. 102
(I_133_0099-2)
133rd General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 102's Bill Analysis

Version: In House Health

Primary Sponsor: Rep. Lipps

Local Impact Statement Procedure Required: No

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Highlights

- The bill requires the Medicaid Program to cover evaluation and management ("E&M") services provided by a licensed chiropractor. This could result in an increase in spending of up to $11.1 million per year. However, it is possible that some cost shifting could occur if a patient chooses to see a chiropractor for E&M services instead of another healthcare practitioner.
- The bill allows the Medicaid Director to cover other services provided by a chiropractor. Any impact to the Medicaid Program would depend on the rules adopted.
- Since the federal government limits chiropractic coverage to those currently covered, it is possible that the state might not receive federal reimbursements for these services unless a federal waiver was obtained.

Detailed Analysis

The bill requires the Medicaid Program to cover E&M services provided by a licensed chiropractor. In addition, the Medicaid Director may adopt rules to cover other services provided by a chiropractor under the Medicaid Program. The bill prohibits the Medicaid Program from imposing any prior authorization requirements on services under the bill and from making coverage of these services contingent upon referral, prescription, etc., from another health professional. Additionally, if a service can be provided by either a licensed chiropractor or a licensed health professional other than a chiropractor, the bill requires Medicaid to pay the chiropractor the same rate it pays the other licensed health professional.

Fiscal impact

E&M services typically include, among other things, gathering a patient's history of present illness, a problem-focused examination, and medical decision-making. The services and payment differs depending on whether the patient is a new or established patient, as well as other factors such as the complexity of the case. E&M services are currently billed according to specific codes determined by the procedures conducted as part of the examination. Healthcare Common Procedure Coding System (HCPCS)[1] for E&M services include codes 99201-99205 for a new patient and 99211-99215 for an established patient. Reimbursement rates range between $11.56 and $110.67.[2] The range depends on the services rendered, the time allotted for the services, and whether the service was rendered in a facility setting. The Ohio Department of Medicaid estimates that 1.33 E&M visits per chiropractic patient at an average cost of $36.50 per year could increase costs by $11.1 million.[3] However, it is possible that some cost shifting could occur if a patient chooses to see a chiropractor for E&M services instead of another healthcare practitioner. Additionally, it is also possible that if patients are able to go to a chiropractor for E&M services, that utilization of chiropractic services could increase.

The bill also allows the Medicaid Director to cover other services provided by a chiropractor. This could result in impacts to the Medicaid Program. However, any impact would depend on rules adopted.

The federal government currently limits coverage for chiropractic services to treatment by means of spinal manipulation. As a result, E&M services may not be eligible for federal financial participation unless a waiver from the federal government was obtained. Currently, for most services, Ohio receives approximately 63% from the federal government for reimbursements related to Medicaid expenditures. If a waiver was not obtained, the state would pay for all associated costs.

Synopsis of Fiscal Effect Changes

The substitute bill (I_133_0099-2) requires the Medicaid Program to cover E&M services provided by a licensed chiropractor. This could result in an increase in spending by $11.1 million per year, assuming all chiropractor patients received 1.33 E&M service visits. However, it is possible that some cost shifting could occur if a patient chooses to see a chiropractor for E&M services instead of another healthcare practitioner. In addition, the substitute bill allows the Medicaid Director to adopt rules to cover other services provided by a chiropractor under the Medicaid Program. Any impact from this would depend on rules adopted. Under the As Introduced version of the bill, the Medicaid Program was required to cover services provided by a licensed chiropractor acting within his or her scope of practice and required that at least 20

[1] HCPCS codes are standardized code sets used by Medicare and other health insurance providers for reporting medical procedures and services claims in a consistent manner. Medicaid's HCPCS fee schedule can be accessed here: http://codes.ohio.gov/pdf/oh/admin/2019/5160-1-60_ph_ff_a_app1_20181210_0910.pdf.

[2] Facility fees may be charged separately. For instance, if a service was provided in a hospital, there could be an additional charge.

[3] This estimate assumes that 8% of the Medicaid population utilizes chiropractic services.

service visits be covered per benefit year. There would have been an increase in costs if the bill resulted in greater utilization of chiropractic services currently covered and any newly covered chiropractic services. However, there could have been some savings if there was a substitution of chiropractic services for more expensive treatments such as surgeries or certain prescriptions. Generally, the As Introduced version of bill would have resulted in a greater increase in costs than the substitute bill.

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