

COMMITTEE REPORT  
SENATE

FURTHER.

4/18/34

Date 5/30/34

Mr. President

The Committee on FINANCE considered SB 570

*provision of chiropractic services under the medical program.*

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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\_\_\_\_\_  
*W.C. ...*  
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Chairman

Chairman recommendation

Introduced: 2/28/84  
Referred. Health, Education and  
Social Services and  
Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

SENATE BILL NO. 510

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to provision of chiropractic services  
7 under the medicaid program."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 47.07.030 is amended to read:

10 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical ser-  
11 vices to be offered to eligible persons include inpatient hospital,  
12 outpatient hospital, rural health clinic, outpatient surgical care  
13 centers, laboratory and X-ray, refractions and eye examinations by  
14 ophthalmologists or optometrists, eyeglasses prescribed by a physician  
15 skilled in diseases of the eye or by an optometrist, inpatient psy-  
16 chiatric hospital for persons age 65 or older and persons under age  
17 21, skilled and intermediate nursing home physician, nurse midwife,  
18 home health care services, early periodic screening diagnosis and  
19 treatment of persons under 21 years of age, clinic services, treatment  
20 of speech, hearing and language disorders, physical therapy, occupa-  
21 tional therapy, chiropractic services, prosthetic devices and medical  
22 supplies, long-term care noninstitutional services, and reasonable  
23 transportation to and from the point of medical care. No additional  
24 services may be provided unless approved by the legislature.

25 \* Sec. 2. AS 47.07.035 is amended to read:

26 Sec. 47.07.035. PRIORITY OF SERVICE. If the funding in a  
27 fiscal year is inadequate to finance the total medical assistance  
28 program under this chapter, the department shall, to the extent that  
29 federal law and funding permits, provide medical assistance in the

1 following order:

2 (1) aged, blind, or disabled persons who

3 (A) do not receive supplemental security income under  
4 Title XVI of the Social Security Act because they do not meet  
5 income and resources requirements; and

6 (B) are eligible to receive an optional state supple-  
7 mentary payment;

8 (2) persons in a medical or intermediate care facility

9 (A) whose income while in the facility does not exceed  
10 300 percent of the supplemental security income benefit rate  
11 under Title XVI of the Social Security Act; and

12 (B) who would not be eligible for an optional state  
13 supplementary payment if they left the facility;

14 (3) persons under 21 years of age

15 (A) who are under the supervision of the department;

16 (B) whose maintenance is paid in whole or in part from  
17 public funds; and

18 (C) who are in foster homes or private child-care  
19 institutions;

20 (4) persons under 21 years of age who

21 (A) receive treatment in a psychiatric hospital; and

22 (B) are financially eligible as determined by the  
23 standards of Part A of Title IV of the Social Security Act;

24 (5) persons under 21 years of age who are

25 (A) in an institution designated by the department as  
26 an intermediate care facility for the mentally retarded; and

27 (B) financially eligible as determined by the stan-  
28 dards of the federal aid to families with dependent children  
29 program;

- 1 (6) women who are pregnant;
- 2 (7) persons under 21 years of age who do not qualify for
- 3 benefits under the federal aid to families with dependent children
- 4 program because they are not dependent children;
- 5 (8) intermediate nursing home services;
- 6 (9) eye examinations by an ophthalmologist or optometrist;
- 7 or eyeglasses prescribed by a physician skilled in the diseases of the
- 8 eye or by an optometrist;
- 9 (10) treatment of speech, hearing, or language disorders;
- 10 (11) physical or occupational therapy;
- 11 (12) care at an intermediate care facility for the mentally
- 12 retarded;
- 13 (13) care at an inpatient psychiatric facility;
- 14 (14) community mental health clinic services;
- 15 (15) surgical care center services;
- 16 (16) nurse midwife services;
- 17 (17) medical supplies and equipment;
- 18 (18) long-term care noninstitutional services;
- 19 (19) chiropractic services.

20 \* Sec. 3. AS 47.07.900 is amended by adding a new paragraph to read:  
21 (7) "chiropractic" has the meaning given in AS 08.20.220.

Offered: 4/15/84  
Referred: Finance

Original sponsor: Health, Education and  
Social Services Committee

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 510 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to provision of services under the  
7 medical assistance program."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 47.07.030 is amended to read:

10 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical ser-  
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13 centers, laboratory and X-ray, refractions and eye examinations by  
14 ophthalmologists or optometrists, eyeglasses prescribed by a physician  
15 skilled in diseases of the eye or by an optometrist, inpatient psy-  
16 chiatric hospital for persons age 65 or older and persons under age  
17 21, skilled and intermediate nursing home, physician, nurse midwife,  
18 home health care services, early periodic screening diagnosis and  
19 treatment of persons under 21 years of age, clinic services, treatment  
20 of speech, hearing and language disorders, physical therapy, occupa-  
21 tional therapy, comprehensive outpatient rehabilitation facility  
22 services, chiropractic services, prosthetic devices and medical sup-  
23 plies, long-term care noninstitutional services, and reasonable trans-  
24 portation to and from the point of medical care. No additional ser-  
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27 Sec. 47.07.035. PRIORITY OF SERVICES. If the funding in a  
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2 following order:

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4 (A) do not receive supplemental security income under  
5 Title XVI of the Social Security Act because they do not meet  
6 income and resources requirements; and

7 (B) are eligible to receive an optional state supple-  
8 mentary payment;

9 (2) persons in a medical or intermediate care facility

10 (A) whose income while in the facility does not exceed  
11 300 percent of the supplemental security income benefit rate  
12 under Title XVI of the Social Security Act; and

13 (B) who would not be eligible for an optional state  
14 supplementary payment if they left the facility;

15 (3) persons under 21 years of age

16 (A) who are under the supervision of the department;

17 (B) whose maintenance is paid in whole or in part from  
18 public funds; and

19 (C) who are in foster homes or private child-care  
20 institutions;

21 (4) persons under 21 years of age who

22 (A) receive treatment in a psychiatric hospital; and

23 (B) are financially eligible as determined by the  
24 standards of Part A of Title IV of the Social Security Act;

25 (5) persons under 21 years of age who are

26 (A) in an institution designated by the department as  
27 an intermediate care facility for the mentally retarded; and

28 (B) financially eligible as determined by the stan-  
29 dards of the federal aid to families with dependent children

- 1 program;
- 2 (6) women who are pregnant;
- 3 (7) persons under 21 years of age who do not qualify for  
4 benefits under the federal aid to families with dependent children  
5 program because they are not dependent children;
- 6 (8) intermediate nursing home services;
- 7 (9) eye examinations by an ophthalmologist or optometrist;  
8 or eyeglasses prescribed by a physician skilled in the diseases of the  
9 eye or by an optometrist;
- 10 (10) treatment of speech, hearing, or language disorders;
- 11 (11) physical or occupational therapy;
- 12 (12) care at an intermediate care facility for the mentally  
13 retarded;
- 14 (13) care at an inpatient psychiatric facility;
- 15 (14) community mental health clinic services;
- 16 (15) surgical care center services;
- 17 (16) nurse midwife services;
- 18 (17) medical supplies and equipment;
- 19 (18) long-term care noninstitutional services;
- 20 (19) comprehensive outpatient rehabilitation facility ser-  
21 vices;
- 22 (20) chiropractic services.

23 \* Sec. 3. AS 47.07.900 is amended by adding new paragraphs to read:

- 24 (7) "chiropractic services" means X-rays and manual manipu-  
25 lation of subluxation of the spine;
- 26 (8) "comprehensive outpatient rehabilitation facility  
27 services" has the meaning given in 42 U.S.C. 1395x and in federal  
28 regulations adopted to implement that section.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

*5/30/84 Correct FD  
for original bill.  
Budget Memo  
M.F.D.  
10/2/84  
Chiropractic Council  
10/2/84*

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: SB #510  
Title: An Act related to provision  
of chiropractic services under the  
Sponsor: \_\_\_\_\_  
Requestor: Senate HESS Committee  
Date of Request: March 2, 1984

**FISCAL DETAIL**

Agency Affected: DHSS - DPA  
Program Category Affected: Medical  
Medicaid program. Assistance  
BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		20.0				
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		154.0	165.6	178.0	191.4	205.8
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		174.0	165.6	178.0	191.4	205.8

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND		87.0	82.8	89.0	95.7	102.9
FEDERAL FUNDS		87.0	82.8	89.0	95.7	102.9
OTHER						
<b>TOTAL</b>		174.0	165.6	178.0	191.4	205.8

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:**

Funding for this service is not currently included in the Governor's budget. Therefore, additional funds would have to be appropriated.

**ANALYSIS: Attach a separate page for analysis**

Prepared By: Kim Busch Phone: 465-3347  
Division: Public Assistance Date: 3/9/84

Approved by Commissioner: Robert Gordon Smith, M.D. Date: 3/19/84  
Agency: Dept. of Health & Social Services

**Distribution (by Agency preparing fiscal note):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

## Analysis

### Contractual

Chiropractors will need to be added to the Alaska Medical Payments System (AMPS). The contractual costs include the following: provider manuals, training, a new claims form, tables included in the system for chiropractic services, computer programming, computer reports, the addition of collocation codes, the provision of notice to providers, provider relations, and a computer system test.

### Grants/Claims

These figures were adjusted by an inflation factor of 7.5%. This is the average percent increase experienced during the past two years in chiropractic services. These costs are for only manual manipulation of the spine and the x-rays necessary for diagnosis. Again, these are the only chiropractic services for which federal reimbursement is available. The federal match for Medicaid is 50%.

We did not develop a fiscal note for the full range of chiropractic services included in SB 510 as we did not have sufficient data to accurately determine the cost. This data is not available from other states primarily because the states that cover chiropractic services have limited the coverage to services for which federal reimbursement is available. We used the following formula to develop our cost estimates:

#Recipients X #Services X Cost Per Service + #X-Rays X Cost Per X-Ray X 12 Months  
per/month per/month per/month per/month

$$50[(\$30 \times 2) + (\$65.55 \times 3)]12 = \$154.0$$

### Assumption #1:

That the ratio of recipients to eligibles is similar to the ratio of recipients to eligibles in Idaho.

Idaho averaged 75 chiropractic recipients and 30,000 eligibles per month. We would average 50 chiropractic recipients out of 20,000 eligibles per month.

### Assumption #2:

Services would be limited to 2 visits per month per recipient.

### Assumption #3:

X-rays would be limited to three x-rays per month per recipient.

### Assumption #4:

Manual manipulation of the spine costs \$30. An x-ray costs \$65.55.

POSITION PAPER  
Senate Bill No. 510

"An act related to provision of chiropractic services under the Medicaid program."

I. Background

The Alaska Medicaid program was created by the Legislature in 1972 and sections in the statutes were created to list all categories of service and groups of eligibles. The original legislation created a program providing basic medical coverage for individuals eligible for cash payments under the Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA) programs, individuals in long term care facilities, and children under the supervision of the Department in foster homes and private child-caring facilities.

Since 1972, the Legislature has amended the statutes several times to add new groups of eligibles or categories of service.

The new groups of eligibles added to AS 47.07.020 since 1972 have been institutionalized individuals for whom the State had previously paid all of their cost of care, needy children not in AFDC households, and pregnant women. By adding these groups to the Medicaid program, the State was able to receive federal funds to partially offset state funds.

The new categories of services added to AS 47.07.030 since 1972 have been fairly low cost services when compared to the total Medicaid program. Several of the new categories of service had the effect of permitting the State to receive federal funds to partially offset state funds being used to provide services.

The trend has clearly been toward maximizing federal financial participation in medical assistance.

II. Need for Chiropractic Services:

Currently, 29 states recognize the value of chiropractic services by including them in their Medicaid program. In addition, the major private insurance programs also include chiropractic coverage.

Generally, chiropractors and advocates of their services contend that chiropractic services are an alternative to other, potentially more costly medical treatments.

III. Effect of Senate Bill No. 510:

Section 1 of the bill amends AS 47.07.030 by adding chiropractic services as covered services under Medicaid.

Section 2 of the bill amends AS 47.07.035 by adding chiropractic services as the first services to be eliminated in the event of a funding shortfall in the Medicaid program.

Section 3 of the bill amends AS 47.07.900 by defining chiropractic as it is defined in AS 08.20.220.

AS 08.20.220 defines chiropractic as follows:

"Chiropractic is the science of locating and correcting interference with nerve energy transmission and expression within the human body, and the employment and practice of drugless therapeutics, including physiotherapy, hydrotherapy, mechanotherapy, physiotherapy, electrotherapy, chromotherapy, thermotherapy, thalmotherapy, correcting and orthopedic gymnastics, and dietetics which includes the use of foods and those biochemical tissue building products and cell salts found within the normal human body, without the use of drugs or surgery."

Regardless of what services chiropractors are licensed to perform according to the laws of individual states, the federal government will only provide reimbursement under Medicaid for manual manipulation of subluxation of the spine and x-rays. Therefore, if the State extends coverage to include the other services listed in SB 510, the State must provide 100 percent of the reimbursement for these services. Currently, many of these services such as laboratory tests are already provided under the Medicaid program through medical providers for whose services the state receives federal reimbursement.

Approximately 29 states cover chiropractic services as an option under Medicaid. Almost all of them limit reimbursement to manual manipulation of subluxation of the spine. As a necessary adjunct to this treatment, some states also cover x-rays necessary to identify the need for manual manipulation.

IV. The Department's Position:

The Department of Health and Social Services would support the addition of chiropractic services with a more limited definition than that currently contained in SB 510. Specifically, we would support coverage for manual manipulation of the spine and the x-rays services necessary to identify the need for this treatment. We believe that this would provide needy Alaskans with medical coverage that is comparable to that of their privately insured neighbors while minimizing the expenditure of state funds that are unmatched by federal dollars.

Recommended By: John R. Poy  
for Rod Betit, Director  
Division of Public Assistance

Date: 3/9/84

Approved By: Robert London Smith  
Robert London Smith, Ph.D.  
Commissioner  
Department of Health & Social Services

Date: 3/19/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: SB #510  
 Title: An Act related to provision of chiropractic services under the  
 Sponsor: \_\_\_\_\_  
 Requestor: Senate HESS Committee  
 Date of Request: March 2, 1984

**FISCAL DETAIL**

Agency Affected: DHSS - DPA  
 Program Category Affected: Medical  
Medicaid program. Assistance  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
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<b>TOTAL</b>		174.0	165.6	178.0	191.4	205.3

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:**

Funding for this service is not currently included in the Governor's budnet. Therefore, additional funds would have to be appropriated.

**ANALYSIS: Attach a separate page for analysis**

Prepared By: Kim Busch  
 Division: Public Assistance

Phone: 465-3347  
 Date: 3/9/84

Approved by Commissioner: Robert Gordon Smith, M.D.  
 Agency: Dept. of Health & Social Services

Date: 3/19/84

**Distribution (by Agency preparing fiscal note):**

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

12/1/83

## Analysis

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Senate Bill No. 510

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Since 1972, the Legislature has amended the statutes several times to add new groups of eligibles or categories of service.

The new groups of eligibles added to AS 47.07.020 since 1972 have been institutionalized individuals for whom the State had previously paid all of their cost of care, needy children not in AFDC households, and pregnant women. By adding these groups to the Medicaid program, the State was able to receive federal funds to partially offset state funds.

The new categories of services added to AS 47.07.030 since 1972 have been fairly low cost services when compared to the total Medicaid program. Several of the new categories of service had the effect of permitting the State to receive federal funds to partially offset state funds being used to provide services.

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Section 2 of the bill amends AS 47.07.035 by adding chiropractic services as the first services to be eliminated in the event of a funding shortfall in the Medicaid program.

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Regardless of what services chiropractors are licensed to perform according to the laws of individual states, the federal government will only provide reimbursement under Medicaid for manual manipulation of subluxation of the spine and x-rays. Therefore, if the State extends coverage to include the other services listed in SB 510, the State must provide 100 percent of the reimbursement for these services. Currently, many of these services such as laboratory tests are already provided under the Medicaid program through medical providers for whose services the state receives federal reimbursement.

Approximately 29 states cover chiropractic services as an option under Medicaid. Almost all of them limit reimbursement to manual manipulation of subluxation of the spine. As a necessary adjunct to this treatment, some states also cover x-rays necessary to identify the need for manual manipulation.

IV. The Department's Position:

The Department of Health and Social Services would support the addition of chiropractic services with a more limited definition than that currently contained in SB 510. Specifically, we would support coverage for manual manipulation of the spine and the x-rays services necessary to identify the need for this treatment. We believe that this would provide needy Alaskans with medical coverage that is comparable to that of their privately injured neighbors while minimizing the expenditure of state funds that are unmatched by federal dollars.

Recommended By: for *John O. Poy*  
Rod Betit, Director  
Division of Public Assistance

Date: 3/9/84

Approved By: *Robert London Smith*  
Robert London Smith, Ph.D.  
Commissioner  
Department of Health & Social Services

Date: 3/19/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Includes both chiropractic  
and COPF services as  
proposed in bill.

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: CSSB 510 (HESS)  
Title: "An Act relating to the pro-  
vision of ~~chiropractic & COPF~~ services under 'Medicaid'"  
sponsor: \_\_\_\_\_  
Requestor: House & Labor & Commerce Committee  
Date of Request: 4/10/84

FISCAL DETAIL

Agency Affected: DHSS - DMA  
Program Category Affected: Medicaid  
BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		44.0	25.9	28.0	30.2	32.6
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		809.3	1117.9	1206.5	1302.2	1405.5
800 MISCELLANEOUS						
TOTAL OPERATING		853.3	1143.8	1234.5	1332.4	1438.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		426.6	571.9	617.2	666.2	719.0
FEDERAL FUNDS		426.7	571.9	617.3	666.2	719.1
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

See Attached

ANALYSIS: Attach a separate page for analysis

Prepared By: Jeffrey Hubbard  
Division: Medical Assistance

JCC  
Phone: 465-3355  
Date: 4/10/84

Approved by Commissioner: Robert Gordon Smith  
Agency: Department of Health & Social Services

Date: 4/17/84

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

12/1/83

Cost Analysis  
CORF Services

	<u>FY85</u>	<u>FY86</u>
A. # of Total Annual Recipients (FY83)	2058	10,516
B. # of Recipients Needing Rehabilitation	253 Annually	368 Annually
C. Psych Evaluation (\$172 per evaluation C = \$172 (b)) Limit Once Annually	\$43,516	\$63,296
D. Social Work (80% of B for 30 Hours annually at \$72/hour or 2160 per recipient)	\$437,184	\$635,040
E. Psychology Services (50% (b) for 15 hours annually at \$92/hr or \$1,380 per recipient)	<u>\$174,570</u>	<u>\$253,920</u>
Subtotal	\$655,270	\$952,256
F. FY85 our Admin with B recipients at \$2.80 per claim and 5.7 claims/recipient	<u>\$4,037</u>	<u>\$5,873</u>
Yearly Cost	\$659,307	\$958,129
G. Enrollment, AMPS Modification for MARS, SURS and PBA	<u>\$20,000</u>	<u>\$20,000</u>
Total Operating	\$679,307	\$978,129
FY85 General Fund 50%	\$349,304	\$489,064
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The chief impact of this bill would be a) the expansion of providers who can be reimbursed by Medicaid for psychological services; and b) the inclusion of social services as a covered service in an outpatient clinic; and c) the increase in administrative costs for surveillance and utilization review.

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## Cost Analysis for Chiropractic Services

### Contractual

Chiropractors will need to be added to the Alaska Medical Payments System (AMPS). The contractual costs include the following: provider manuals, training, a new claims form, tables included in the system for chiropractic services, computer programming, computer reports, the addition of collocation codes, the provision of notice to providers, provider relations, and a computer system test.

### Grants/Claims

These figures were adjusted by an inflation factor of 7.5%. This is the average percent increase experienced during the past two years in chiropractic services. These costs are for only manual manipulation of the spine and the x-rays necessary for diagnosis. Again, these are the only chiropractic services for which federal reimbursement is available. The federal match for Medicaid is 50%.

We did not develop a fiscal note for the full range of chiropractic services included in SB 510. We used the following formula to develop our cost estimates:

$$\left( \frac{\# \text{Recipients}}{\text{Month}} \times \frac{\# \text{Services}}{\text{Month}} \times \frac{\text{Cost/Service}}{\text{Month}} + \frac{\# \text{Recipients}}{\text{mth}} \times \frac{\# \text{X-Rays}}{\text{Month}} \times \frac{\text{Cost/X-Ray}}{\text{Month}} \right) \times 12 \text{mths}$$

$$[50 \times \$30 \times 2] + (\$65 \times 50 \times 3) \times 12 = \$154.0 + 1 \text{ time Administrative Cost } \$20 = \$174.00$$

### Assumption #1:

Alaska's ratio of recipients to eligibles is similar to the ratio of recipients to eligibles in Idaho.

Idaho averaged 75 chiropractic recipients and 30,000 eligibles per month. Therefore we would average 50 chiropractic recipients out of 20,000 eligibles per month.

### Assumption #2:

Services would be limited to 2 visits per month per recipient.

### Assumption #3:

X-rays would be limited to three x-rays per month per recipient.

### Assumption #4:

Manual manipulation of the spine costs \$30. An x-ray costs \$65.55.

Position Paper  
CSSB No. 510

"An act relating to provision of services under the Medical Assistance program."

I. Background

This bill would modify the Medicaid program to 1) add chiropractic services and 2) expand reimbursable services offered by a Comprehensive Outpatient Rehabilitative Facility (CORF). (A 1984 Attorney General's opinion stated CORF could participate in Medicaid for those services already added by the Legislature.)

II. Need for Chiropractic Services

Currently, 29 states recognize the value of chiropractic services by including them in their Medicaid program. In addition, the major private insurance programs also include chiropractic coverage. Generally, chiropractors and advocates of their services contend that chiropractic services are an alternative to other, potentially more costly medical treatments.

The chiropractic services should be limited to the two services for which we can claim federal financial participation. Specifically, these are manual manipulation of the spine and the x-rays necessary for this treatment. The Department would support this addition to the Medicaid program with this limited definition. Added FY85 costs is anticipated to be \$174.0 of which \$87.0 is State funds.

III. Need for Comprehensive Outpatient Rehabilitation Facility Services

Alaska's Medicaid program already provides coverage for most of the 13 services that can be provided by a CORF. Services covered include physician services, physical therapy, occupational therapy, prosthetic devices, orthotic devices and nursing care.

The services that are not currently covered but which would be added under this bill are:

1. Social services performed by a social worker with a B.A. who has had one year of experience in a health care setting.
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3. Drugs and biologicals which are currently reimbursed under the General Relief Medical Assistance Program.
4. Home environment evaluations for the purpose of assessing the potential impact of the home situation on the rehabilitation goals.

**POSITION PAPER/Department of Health & Social Services**

The Department does not support adding these additional services to Medicaid. Psychological services are already available under Medicaid if provided as inpatient hospital services, through a community mental health clinic, or by a physician. Addition of psychological and social worker services is not recommended as the FY85 added costs are expected to be \$679.3 of which \$339.6 is State funds.

Recommended By: Rod Betit  
Rod Betit, Director  
Division of Medical Assistance

Date: 4/12/84

Approved By: Robert London Smith  
Robert London Smith, Ph.D.  
Commissioner  
Department of Health & Social  
Services

Date: 4/17/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Includes both chiropractic  
and CORF services as  
proposed in bill.

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: CS93 510  
Title: "An Act relating to the pro-  
vision of chiropractic & CORF services  
sponsor: \_\_\_\_\_  
Requestor: House & Labor & Commerce Committee  
Date of Request: 4/10/84

FISCAL DETAIL

Agency Affected: DHSS - DMA  
Program Category Affected: Medicaid  
BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		44.0	25.9	28.0	30.2	32.6
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		809.3	1117.9	1206.5	1302.2	1405.5
800 MISCELLANEOUS						
TOTAL OPERATING		853.3	1143.8	1234.5	1332.4	1438.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		426.6	571.9	617.2	666.2	719.0
FEDERAL FUNDS		426.7	571.9	617.3	666.2	719.1
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

See Attached

ANALYSIS: Attach a separate page for analysis

Prepared By: Jeffrey Hubbard  
Division: Medical Assistance

Phone: 465-3355  
Date: 4/12/84

Approved by Commissioner: Robert Gordon Smith  
Agency: Department of Health & Social Services

Date: 4/17/84

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

12/1/83

Cost Analysis  
CORF Services

	<u>FY85</u>	<u>FY86</u>
A. # of Total Annual Recipients (FY83)	2058	10,516
B. # of Recipients Needing Rehabilitation	253 Annually	368 Annually
C. Psych Evaluation (\$172 per evaluation C = \$172 (b)) Limit Once Annually	\$43,516	\$63,296
D. Social Work (80% of B for 30 Hours annually at \$72/hour or 2160 per recipient)	\$437,184	\$635,040
E. Psychology Services (50% (b) for 15 hours annually at \$92/hr or \$1,380 per recipient)	<u>\$174,570</u>	<u>\$253,920</u>
Subtotal	\$655,270	\$952,256
F. FY85 our Admin with B recipients at \$2.80 per claim and 5.7 claims/recipient	<u>\$4,037</u>	<u>\$5,873</u>
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Recommended By: \_\_\_\_\_

*Rod Betit*  
Rod Betit, Director  
Division of Medical Assistance

Date: \_\_\_\_\_

*4/12/84*

Approved By: \_\_\_\_\_

*Robert London Smith*  
Robert London Smith, Ph.D.  
Commissioner  
Department of Health & Social  
Services

Date: \_\_\_\_\_

*4/17/84*

COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

2/28/84

Date

April 18  
March 21, 1984

Mr. President

The Committee on HESS considered SB 510

provision of chiropractic services under the medicaid program.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 510 HESS
- new title
- same title and recommends do pass
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

Paul Fink  
Tommy Wilson  
Rick Halford

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Joe Gresham  
 Chairman  
Do Pass  
 Chairman recommendation