

COMMITTEE REPORT  
SENATE

FURTHER:

Date \_\_\_\_\_

Mr. President

The Committee on FINANCE considered HR 100  
*law to provide for chiropractic services under the national 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 Do Pass
- and attached a "LETTER OF INTENT" [  ] NEW FISCAL NOTE
- reports it back without recommendation *7/19/40*  
*\$7.7 MESS*
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Chairman recommendation

Offered: 4/3/85  
Referred: Finance

Original sponsors: Josephson, Abood  
and Fahrenkamp

1 IN THE SENATE BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 109 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act related 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. Additional  
24 services may not 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 SERVICES. 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 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act) because  
5 they do not meet 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 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act);  
12 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 42 U.S.C. 601 - 615 (Title IV-A, Social Security  
25 Act, Aid to Families with Dependent Children);

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

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

29 (B) financially eligible as determined by the

1 standards of the federal aid to families with dependent children  
2 program;

3 (6) women who are pregnant;

4 (7) persons under 21 years of age who do not qualify for  
5 benefits under the federal aid to families with dependent children  
6 program because they are not dependent children;

7 (8) intermediate nursing home services;

8 (9) eye examinations by an ophthalmologist or optometrist;  
9 or eyeglasses prescribed by a physician skilled in the diseases of the  
10 eye or by an optometrist;

11 (10) treatment of speech, hearing, or language disorders;

12 (11) physical or occupational therapy;

13 (12) care at an intermediate care facility for the mentally  
14 retarded;

15 (13) care at an inpatient psychiatric facility;

16 (14) community mental health clinic services;

17 (15) surgical care center services;

18 (16) nurse midwife services;

19 (17) medical supplies and equipment;

20 (18) long-term care noninstitutional services;

21 (19) chiropractic services.

22 \* Sec. 3. AS 47.07.900 is amended by adding a new paragraph to read:

23 (7) "chiropractic services" includes only services that are  
24 provided by a chiropractor licensed under AS 08.20 that consist of  
25 treatment by means of manual manipulation of the spine and x-rays  
26 necessary for treatment.

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

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

**REQUEST**

Bill/Resolution No.: SB109  
 Title: An Act relating to provision of chiropractic services under Med.  
 Sponsor: Josephson, Abood, Fahrenkamp  
 Requestor: \_\_\_\_\_  
 Date of Request: 2/6/85

**FISCAL DETAIL**

Agency Affected: Health & Social Services  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected: Medical Assistance

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

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	-0-	20.0	-0-	-0-	-0-	-0-
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	-0-	154.0	160.0	166.4	173.0	180.0
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	174.0	160.0	166.4	173.0	180.0
<b>CAPITAL</b>		-0-	-0-	-0-	-0-	-0-
<b>REVENUE</b>		-0-	-0-	-0-	-0-	-0-

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	87.0	80.0	83.2	86.5	90.0
FEDERAL FUNDS	87.0	80.0	83.2	86.5	90.0
OTHER					
<b>TOTAL</b>	174.0	160.0	166.4	173.0	180.0

**POSITIONS:**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

**ANALYSIS:** Attach a separate page if necessary

Please see attached analysis for method used to determine FY86 cost of \$174.0. A 4% inflator was used to estimate cost for FY87 and each year thereafter.

Prepared By: Rod Betit, Director  
 Division: Medical Assistance

Phone: 465-3355  
 Date: 2/6/85

Approved by Commissioner: J. A. B.  
 Agency: DEPT. OF HEALTH & SOCIAL SERVICES

Date: 2/14/85 JCC

Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

## Cost Analysis for Chiropractic Services

### Additional Contractual Costs

The Alaska Medical Payments System will require modification to pay chiropractors as a new services. 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.

### Additional Grants/Claims Costs

These figures were adjusted by an inflation factor of 4%. 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 109. We used the following formula to develop our cost estimates:

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

$$[50 \times \$30 \times 2] + (\$65 \times 50 \times 3) \times 12 = \$154.0 + 1 \text{ time Administrative Cost } \$20 = \$174.0$$

### 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 estimate Alaska 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-ray per month per recipient.

### Assumption #4:

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

POSITION PAPER  
Senate Bill No. 109

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

I. Background

SB 109 would modify the Medicaid program to add chiropractic services. Currently, approximately 29 states include chiropractic services in their Medicaid program. In addition, many 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.

If chiropractic services are added to Medicaid, they should be limited to the two services covered under federal Medicaid rules i.e., manual manipulation of the spine and x-rays necessary for treatment. The added FY86 costs to include chiropractic services if limited to these two services is anticipated to be \$174.0, (\$87.0 in state funds).

II. Departmental Position:

Chiropractic services would be a good addition to the medical services currently offered under Medicaid, but the added cost associated with this new service is not affordable at the present time. However, if SB 109 is adopted it should be modified to limit chiropractic services to manual manipulation of the spine and x-ray.

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

Date: 2/6/85

Approved By: John R. Pugh  
John R. Pugh, Commissioner  
Department of Health & Social  
Services

Date: 2/14/85

## SECTIONAL ANALYSIS FOR SENATE BILL 109

An Act related to provision of chiropractic services under the medicaid program

### Section 1

Adds chiropractic services to the list of services for Medicaid coverage.

### Section 2

Under current law, this section establishes a priority of services in the event that insufficient funding was available to pay for all medicaid coverage. This section makes chiropractic services 19 on a list of 19.

### Section 3

Chiropractic services are defined as manual manipulation of the spine and X-rays necessary for treatment when performed by a licensed chiropractor.

There is a \$174,000 fiscal note from the Department of Health and Social Services. \$20,000 is a one-time contractual cost for changes in the computer, new claim forms and instruction manuals. The remaining \$154,000 be used to pay additional claims.

Introduced: 1/30/85  
Referred: Health, Education and  
Social Services and  
Finance

BY JOSEPHSON, ABOOD  
AND FAHRENKAMP

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21 (19) chiropractic services.

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23 (7) "chiropractic" has the meaning given in AS 08.20.220.

COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

1/30/85

Date 4-2-85

Mr. President

The Committee on HESS considered SB 109  
related to 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 109 (HESS)  
 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

1 Edm We Van if funding is available  
\_\_\_\_\_  
2 Joe Josephson  
2 Chris Stungl  
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MEMBERS HAVING  
OTHER RECOMMENDATIONS

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1 Luther Schunkamp  
Chairman  
Do Pass if funding is worked out  
Chairman recommendation