

Kentucky Department of Insurance
Financial Impact Statement

- I. The proposed HB 288/BR 1122 requiring health insurers to provide the same reimbursement to chiropractors as for physicians for services provided by chiropractors that are within the chiropractic scope of services will not materially increase the administrative expenses of insurers, because updating or changing fee schedules is within the normal course of business.

- II. The proposed HB 288 requiring health insurers to provide the same reimbursement to chiropractors as for physicians for services provided by chiropractors that are within the chiropractic scope of services will immaterially increase premiums, based upon data from Optum's database with similar health insurance benefits. The proposed legislation for all insured health benefit plan coverage (not State Employee Plans) is estimated to increase premiums at most by about 0.0035% due to the increased cost. This could be an increase of at most about \$80K annually for all insured policies (not State Employee Plans) in Kentucky. The increase for all insured policies is at most about \$0.02 per subscriber per month, or about \$0.26 per subscriber per year.

- III. The proposed HB 288 requiring health insurers provide the same reimbursement to chiropractors as for physicians for services provided by chiropractors that are within the chiropractic scope of services will immaterially impact the total cost of health care in the Commonwealth based upon data from Optum's database with similar health insurance benefits. The proposed legislation for all insured health benefit plan coverage (not State Employee Plans) is estimated to increase total cost of health care at most by about 0.0035% due to the increased cost and utilization. This could be an increase of at most about \$65K annually for all insured policies in Kentucky (not State Employee Plans). The increase for all insured policies is \$0.02 per subscriber per month, or \$0.21 per subscriber per year.

The assumptions for this analysis are based on specific CPTs codes that are expected to increase for chiropractic reimbursement from insurers as a result of this legislation. These are codes that are used by both medical doctors and chiropractors only, i.e. reimbursement for chiropractic only codes is not expected to change as a result of this proposed legislation. The variance assumed in the analysis is based on our experience in the provider reimbursement market.

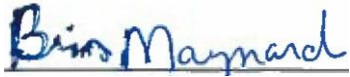
Point estimates of the expected maximum impact have been provided because detailed data was supplied and because the impact is so minimal that ranges would not be meaningful.

In summary the overall results are immaterial to the total cost of care and premium impact because the codes that are subject to increases (those performed by chiropractors) are a very small percentage of the overall reimbursement for these codes to all providers and therefore represent a small portion of overall healthcare costs.



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