

Memorandum

To: Representative Mike Fisher, Chair, House Committee on Health Care

From: Mark Larson, Commissioner

Date: February 14, 2014

Re: Vermont Medicaid Coverage of Chiropractic Services

This memo is in response to the House Committee on Health Care's letter dated May 8, 2013. In the letter you expressed interest in having the Department of Vermont Health Access (DVHA) consider Medicaid coverage for clinically necessary services provided by a licensed chiropractic physician for treatment within a chiropractor's scope of practice required of other health insurers pursuant to 8 V.S.A. § 4088a. Your letter also indicated that Medicaid only covers spinal manipulation and does not cover examination and diagnosis procedures.

As you are aware, Vermont Medicaid is generally exempt from State regulations and coverage mandates for private insurers. Pursuant to 33 VSA § 1901(d)(2), to the extent permitted under federal law, the Department of Vermont Health Access shall be exempt from any health maintenance organization (HMO) or MCO statutes in Vermont law and shall not be considered to be an HMO or MCO for purposes of state regulatory and reporting requirements pursuant to 33 VSA § 1901(d)(2).

According to CMS, States establish and administer their own Medicaid programs and determine the type, amount, duration, and scope of services within broad federal guidelines. States are required to cover certain "mandatory benefits," and can choose to provide other "optional benefits" through the Medicaid program. Chiropractic care is an optional benefit available to Medicaid beneficiaries and Vermont Medicaid covers chiropractic treatment on a limited basis. Vermont Medicaid is in alignment with Medicare on a restricted scope of practice for chiropractors and coverage limited to spinal manipulation. Chiropractors do hold a broader scope of practice within their professional practice. Although the Committee makes no specific request, the broad request to expand scope of practice (treatment and reimbursement), makes the implication to treat other regions of the body within their scope (currently limited to spinal manipulation related to subluxation), and to extend Evaluation and Management (E&M) that would also be part of the scope. Currently, beneficiaries are receiving assessments within the 3 current procedural terminology (CPT) codes allowed pursuant to Act 1 (H.441) of the 2009 Legislative Special Session. These chiropractic manipulative treatment codes include a pre-manipulation and post-service patient assessment.

In response to the Committee's request, DVHA did conduct a review of the option of expanding chiropractic coverage. Based on our review, we find no obstacles from a clinical or policy perspective to expanding coverage. There may be areas appropriate for utilization management to ensure that appropriate medically necessary services are offered to Vermonters enrolled in our coverage plan as is part of our current practice today.

Our review did identify that expanding coverage could result in a financial impact to the State. Based on DVHA's data analysis from State Fiscal Year 2011-2013 the total unique beneficiaries who received treatment by a chiropractor were 14,061 and the total of all beneficiary chiropractic visits was 72,369. Based on the SFY 2011-2013 assumptions of unique and total visits, the estimated cost of expanding Medicaid coverage for just chiropractic full E&M could be from a low estimate of approximately \$46,000 to a high estimate of approximately \$450,000 in additional state funds. An exact estimate within this range is difficult to arrive at as it is not possible to precisely determine how providers will code for E&M between unique visits or between exacerbations of current or new conditions needing further assistance.

In summary, the expansion of Medicaid coverage for clinically necessary services provided by a licensed chiropractic physician for treatment within a chiropractor's scope of practice required of other health insurers pursuant to 8 V.S.A. § 4088a is an option that the State could elect. To do so, our current analysis indicates that the financial impact of this choice would need to be addressed.