

SENATE BILL REPORT

SB 5518

As Reported by Senate Committee On:
Health Care, February 16, 2017

Title: An act relating to fair reimbursement for chiropractic services.

Brief Description: Requiring fair reimbursement for chiropractic services.

Sponsors: Senators Miloscia, Cleveland, Keiser, O'Ban and Fortunato.

Brief History:

Committee Activity: Health Care: 2/07/17, 2/16/17 [DP-WM, w/oRec].

Brief Summary of Bill

- Requires health insurance carriers to pay chiropractors the same as they pay other providers for a spinal manipulation code.

SENATE COMMITTEE ON HEALTH CARE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Rivers, Chair; Becker, Vice Chair; Cleveland, Ranking Minority Member; Kuderer, Assistant Ranking Minority Member; Bailey, Conway, Keiser, Miloscia, O'Ban and Walsh.

Minority Report: That it be referred without recommendation.

Signed by Senators Fain and Mullet.

Staff: Mich'l Needham (786-7442)

Background: The legislation passed in 2008 placed limitations on health insurance carriers' payment methodologies for chiropractic services. Health carriers may not use a payment method that pays chiropractors less than another type of provider for the same physical medicine and rehabilitation code or evaluation and management code. The carrier may not circumvent the requirement by creating a chiropractor-specific code not listed in the nationally recognized code book otherwise used by the carrier for provider payment.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: Beginning January 1, 2018, regulated health insurance carriers must not pay a chiropractor less than another type of provider for the same physical medicine and rehabilitation code, evaluation and management code, or spinal manipulation code.

The Office of Insurance Commissioner may adopt rules to implement this requirement.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Section 1 of the bill takes effect on January 1, 2018.

Staff Summary of Public Testimony: PRO: We are not concerned with other providers but with the formulas used for reimbursement. There is a significant payment disparity, nearing 90 percent difference in reimbursement for the same service. Chiropractors are not able to negotiate with carriers for reimbursement rates. The contracts are take it or leave it contracts and we simply want to eliminate the disparity in payment for the same services. The resource based relative value system (RBRVS) is designed to provide a value scale as a national standard that allows an apple to apple comparison for the same procedure. We are reimbursed 90 percent less than other providers for the same service and this disparity needs to be addressed at the state level.

CON: Plans set reimbursement rates to keep premiums affordable for consumers. Payments should be based on costs to provide the services and these providers have lower costs. There is long standing antidiscrimination language in the insurance code that ensures plans cannot discriminate. The fiscal note concerns expressed by the state plans reflect the concerns from the private plans that this will add to premium costs. We have concern with plans paying all providers the same rate for the same codes since the codes reflect additional costs for providers, with practice expense, work component, and liability insurance built into the rate assumptions. Plans set reimbursement where we can leverage cost savings for customers but this bill drives cost up for customers.

Persons Testifying: PRO: Lori Grassi, WA State Chiropractic Association; Dr. Austin McMillin, WA State Chiropractic Association.

CON: Steve Gano, Premera Blue Cross; Mel Sorensen, America's Health Insurance Plans; David Knutson, Washington Osteopathic Medical Association; Zach Snyder, Regence Blue Shield.

Persons Signed In To Testify But Not Testifying: No one.