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FISCAL IMPACT REPORT

SPONSOR: Lundstrom DATE TYPED: 02/18/01 HB 606
 SHORT TITLE: HMO Coverage for Chiropractic & Midwife Care SB _____
 ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Public Regulation Commission (PRC)
 Attorney General's Office (AG)
 General Services Department (GSD)
 Retiree Health Care Authority (RHCA)
 Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

HB606 requires that chiropractic physicians and midwives who are willing to meet the terms and conditions of an Health Maintenance Organization (HMO) may not be excluded.

Significant Issues

The AG claimed that this bill would only apply to HMOs and to health care financing companies offering identical managed care products. It is also unclear if HB 606 applies to the HMOs administering the New Mexico Medicaid program.

The GSD wrote that there is not much concern for the chiropractic physicians since they have to be licensed through the Chiropractic Examiners Board. However, the mandated contracting of "lay midwives" is of concern as the level of training and education for a lay midwife would be very much less than a physician.

FISCAL IMPLICATIONS

No fiscal implication to State agencies, but premiums might rise and affect the State as an employer that procures health insurance.

TECHNICAL ISSUES

HB 606 needs to be clarified since one cannot be sure of the intent. HB 606 appears to say that an HMO must offer chiropractic and lay midwifery services and not that the HMO must contract with “any willing provider” of chiropractic and lay midwifery services who accepts the terms and conditions

RELATIONSHIP

Relates to
HB 548, Medicaid Reimbursement for Chiropractic Costs –
SB 492, Amend Medical Practice Act

SUBSTANTIVE ISSUES

- C Alternative medicine has become more mainstream in the past 10 years. People want options on how to treat their own medical conditions. However, it is essential to ensure quality services by licensed professionals and to protect patient rights. HB 606 allows HMOs to regulate the services and referral practices by stipulating that the chiropractors and midwives must be willing to adhere to the terms of the HMO.
- C Currently, many physicians already treat their patients with complimentary medicine, using traditional and non-traditional methods.
- C In New Mexico’s diverse and rural culture, many people utilize alternative Practitioners and methods such as midwives.
- C Patients who do not have alternative care options covered in their medical insurance plans will often seek alternative care on their own and pay out of pocket to get the medical services they want.
- C By providing alternative services such as chiropractic and mid-wife services, patients may have the option to use those services with a co-payment, a more diverse clientele may sign up to take advantage of the added service, and the HMO may be able to offer more products without financial loss.
- C On the other hand, adding more services to HMO coverage may drive up insurance premium costs to employers and individuals.
- C Chiropractic techniques may be viewed as preventive medicine, used to promote and maintain health.

- C Advocates of nurse midwives, nurse practitioners and physician assistants say that physicians have the opportunity to redefine their roles—“specifically, by relinquishing elementary tasks and concentrating on more advanced ones. The primary care physician won't disappear, but he'll treat the sicker patients he used to refer to specialists.

DW/lrs/njw