

# MEMO IN OPPOSITION

**FOR IMMEDIATE RELEASE:** June 19, 2006

Re: A.4527-A (Lentol)/S.3340-A (Johnson)

An act to amend the insurance law, in relation to doctors of chiropractic.

---

This proposal, A.4527-A/S.3340-A, seeks to amend the chiropractic mandate passed in 1997 to enhance the financial position of chiropractors. The New York Health Plan Association (HPA) opposes this legislation because it inappropriately establishes reimbursement standards for chiropractors that exceed all other providers. Establishing such a precedent will fuel significant health care inflation and reduce access to health care.

**NEW YORK'S CHIROPRACTIC MANDATE: IS ONE OF THE COSTLIEST MANDATES ENACTED IN NEW YORK AND THIS BILL WILL MAKE IT WORSE**  
The original chiropractic mandate law required the Department of Insurance to study the impact of the chiropractic mandate. That study, released in 2000, concluded that the cost of these services accounted for as much as 2.6% of premium. Using claim statistics, the Department concluded: "there are no savings" attributable to the passage of the mandate. A 2003 study by NovaRest Consultants mirrored the Insurance Department findings and determined that chiropractic treatment was the second costliest mandate in New York. NovaRest concluded that chiropractic services contributed \$235 in the annual net dollar increase in family premiums - equivalent to 2.5% of premium.

The 1997 mandate clearly increased the overall utilization of and insurance reimbursement to chiropractors. Remarkably, this proposal looks to enrich chiropractors even further. The New York State Legislature needs to resist this proposal and instead enact legislation to establish a mandate review commission to review this and the nearly 100 other mandates already in introduction. A \$300,000 appropriation for such an entity pending implementing legislation was inserted in the 2006-07 budget.

**A.4527-A/S.3340-A ESTABLISHES REIMBURSEMENT LEVELS FOR CHIROPRACTORS THAT ARE MORE FAVORABLE THAN ANY OTHER HEALTH CARE PROVIDER**

This proposal mandates reimbursement for chiropractic services to be equivalent to those provided by physician specialists. Chiropractors do not attend medical school and, accordingly, are not reimbursed at the same terms as orthopedists or similarly trained specialists. Chiropractic reimbursement is more appropriately aligned with other non-physician specialists such as physical and occupational therapists. The proposal also mandates equivalent co-payments for chiropractors and primary care providers. To ensure desirable access to primary care, many plans offset

lower primary care co-payments with a commensurate increase in co-payments for specialists. Altering this policy solely for one group of non-primary care providers is a precedent that will increase health care costs and diminish access to primary care.

Chiropractors unhappy with the terms of their contracts have two options – seek to change those terms or terminate their relationship with the health plan. In either case, plans will have to continue to provide adequate capacity (as certified by the Department of Health) for these services. Market forces ensure that reimbursements remain commensurate with the demand for these services.

**A.4527-A/S.3340-A SEEKS TO UNDERMINE THE APPROPRIATE USE OF MANAGED CARE TOOLS SUCH AS UTILIZATION REVIEW.**

The proposal expressly prohibits plans from limiting patient chiropractic services to fewer than fifteen visits. No other medical specialists are accorded such broad discretion in treatment without appropriate oversight. Such provisions are an open invitation to fraud and abuse. Based on the rising costs associated with chiropractic services and recent studies that suggest chiropractic treatment of back pain is more expensive than treatments offered by other providers, this is an unacceptable provision.

A.4527-A/S.3340-A is bad medicine for the high cost of health care. Its unprecedented provisions clearly point to the purpose of this legislation the enrichment of one group of providers – in this case chiropractors – above all others. It should be resisted. Accordingly, the New York Health Plan Association urges your opposition to this proposal.

-30-

*The New York Health Plan Association represents 31 managed care health plans that provide comprehensive health care services to more than 6 million New Yorkers.*