



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0500.01: Generally revise laws related to chiropractic practitioners**

Primary Sponsor: **Greg Oblander**

Status: **As Introduced**

☐ Included in the Executive Budget

☒ Needs to be included in HB 2

☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts

☐ Technical Concerns

☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$2,238,572	\$2,316,965	\$2,400,217	\$2,486,373
State Special Revenue (02)	\$20,200	\$0	\$0	\$0
Federal Special Revenue (03)	\$18,445,406	\$19,533,692	\$20,750,976	\$21,636,251
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$18,445,406	\$19,533,692	\$20,750,976	\$21,636,251
Net Impact	<u>(\$2,238,572)</u>	<u>(\$2,316,965)</u>	<u>(\$2,400,217)</u>	<u>(\$2,486,373)</u>
General Fund Balance				

Description of fiscal impact

HB 500 generally revises laws related to chiropractic practitioners. It establishes a chiropractic license endorsement for prescriptive authority and requires the Department of Public Health and Human Services to provide Medicaid coverage and reimbursement of chiropractic services.

FISCAL ANALYSIS

Assumptions

Department of Labor and Industry (DLI)

1. The total rule making costs to the Board of Chiropractors are estimated to be \$10,000. The board will utilize DLI's legal services to complete the necessary revisions. Rule making costs include Secretary of State fees for rules proposals and adoption.
2. A new license type in the form of an endorsement will be added to the licensing database to include an application and renewal record. Forms for the licensing process will be created for online application and renewal, and the board website will be updated. The Technology Services Division (TSD) estimates that it will spend 85 hours to complete the implementation. This estimate includes work to complete the analysis, design, development, script writing and testing. The board will be billed at a rate of \$120 per hour for a total expense of \$10,200.
3. The amount of the endorsement fee is unknown at this time, but will be set commensurate with costs.

Department of Public Health and Human Services (department)

4. Children through age 20 are currently covered under Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) for chiropractic services.
5. The assumed fiscal impact included in this bill is for adults between the ages of 21 to 64. Enrollment figures are from the Montana Medicaid dashboard as of October 2024. Total American Indian eligibility is calculated as Medicaid eligible American Indians residing on a reservation between the ages of 21 to 64. A 1.0% caseload growth increase was applied to the eligibility for FY 2027 through FY 2029.
6. Based on nationally available data the department assumes 11% of Medicaid eligible adults will seek chiropractic care.
7. Visit and rate assumptions are based on Montana Medicaid data and national statistics for chiropractic care.
8. The department assumes one initial evaluation visit with an average SFY 2026 cost of \$275/visit and 11 follow up visits with an average FY 2026 cost of \$65.37 per visit with a total of 12 visits/year.
9. For purposes of this fiscal note, a 2.57% inflationary increase was applied to the per visit costs for FY 2027 through FY 2029.
10. The Indian Health Service (IHS)/Tribal All-Inclusive Rate (AIR) for FY 2026 is assumed to be the current year 2025 AIR increased at the 3-year average AIR increases of 7.8%. The rates for all subsequent years (FY 2027 through FY 2029) are increased at the same average increase of 7.8%.
11. The department assumes the following Medicaid Federal Medical Assistance Percentage (FMAP).
 - a. Standard Medicaid benefit costs will be eligible for FMAP of 38.39% general fund and 61.61% federal funds in FY 2026 and 38.53% general fund and 61.47% federal funds for FY 2027 thru FY 2029.
 - b. Medicaid expansion benefit costs will be eligible for a FMAP of 10% general fund and 90% federal funds in FY 2026 thru FY 2029.
 - c. Chiropractic services provided through an Indian Health Service provider and tribal services provider are eligible for 100% federal reimbursement.

The calculations for assumptions 1 thru 7 are shown in the table below:

	FY 2026	FY 2027	FY 2028	FY 2029
Standard Medicaid				
Total Eligible Adult Population (age 21-64)	34,240	34,582	34,928	35,277
Percent of Chiropractic Utilizers	11.0%	11.0%	11.0%	11.0%
Number of Adults Utilizing Chiropractic Services	3,766	3,804	3,842	3,880
Number of Initial Evaluation Visits Annually	1	1	1	1
Number of Follow Up Visits	11	11	11	11
Payment for Initial Evaluation Visits	275.00	282.07	289.32	296.76
Payment for Follow Up Visits	65.37	67.05	68.77	70.54
Estimated Expenditures	3,743,791	3,878,634	4,017,925	4,162,076
Medicaid Expansion				
Total Eligible Adult Population (age 21-64)	72,612	73,338	74,071	74,812
Percent of Chiropractic Utilizers	11.0%	11.0%	11.0%	11.0%
Number of Adults Utilizing Chiropractic Services	7,987	8,067	8,148	8,229
Number of Initial Evaluation Visits Annually	1	1	1	1
Number of Follow Up Visits	11	11	11	11
Payment for Initial Evaluation Visits	275.00	282.07	289.32	296.76
Payment for Follow Up Visits	65.37	67.05	68.77	70.54
Estimated Expenditures	7,939,899	8,225,275	8,521,097	8,827,248
Tribal Facility				
Total Eligible Adult Population (age 21-64)	8,158	8,240	8,322	8,405
Percent of Chiropractic Utilizers	11.0%	11.0%	11.0%	11.0%
Number of Adults Utilizing Chiropractic Services	897	906	915	925
Number of Visits	12	12	12	12
Payment for Visits at AIR	832.00	896.50	966.50	1,003.00
Estimated Expenditures	8,955,648	9,746,748	10,612,170	11,133,300
FMAPs				
State - Standard Medicaid	38.39%	38.53%	38.53%	38.53%
Federal - Standard Medicaid	61.61%	61.47%	61.47%	61.47%
State - Medicaid Expansion	10.00%	10.00%	10.00%	10.00%
Federal - Medicaid Expansion	90.00%	90.00%	90.00%	90.00%
State - Tribal	0.00%	0.00%	0.00%	0.00%
Federal - Tribal	100.00%	100.00%	100.00%	100.00%
FUNDING				
State - Standard Medicaid	1,437,241	1,494,438	1,548,107	1,603,648
Federal - Standard Medicaid	2,306,550	2,384,197	2,469,819	2,558,428
State - Medicaid Expansion	793,990	822,527	852,110	882,725
Federal - Medicaid Expansion	7,145,909	7,402,747	7,668,987	7,944,523
State - Tribal	-	-	-	-
Federal - Tribal	8,955,648	9,746,748	10,612,170	11,133,300
State - Total	2,231,231	2,316,965	2,400,217	2,486,373
Federal - Total	18,408,107	19,533,692	20,750,976	21,636,251
TOTAL IMPACT	20,639,338	21,850,657	23,151,193	24,122,624

Fiscal Analysis Table

Department of Labor and Industry

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$20,200	\$0	\$0	\$0
TOTAL Expenditures	\$20,200	\$0	\$0	\$0
<u>Funding of Expenditures</u>				
State Special Revenue (02)	\$20,200	\$0	\$0	\$0
TOTAL Funding of Expenditures	\$20,200	\$0	\$0	\$0
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
State Special Revenue (02)	(\$20,200)	\$0	\$0	\$0

Department of Public Health and Human Services

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$44,640	\$0	\$0	\$0
Benefits	\$20,639,338	\$21,850,657	\$23,151,193	\$24,122,624
TOTAL Expenditures	\$20,683,978	\$21,850,657	\$23,151,193	\$24,122,624
<u>Funding of Expenditures</u>				
General Fund (01)	\$2,238,572	\$2,316,965	\$2,400,217	\$2,486,373
Federal Special Revenue (03)	\$18,445,406	\$19,533,692	\$20,750,976	\$21,636,251
TOTAL Funding of Expenditures	\$20,683,978	\$21,850,657	\$23,151,193	\$24,122,624
<u>Revenues</u>				
Federal Special Revenue (03)	\$18,445,406	\$19,533,692	\$20,750,976	\$21,636,251
TOTAL Revenues	\$18,445,406	\$19,533,692	\$20,750,976	\$21,636,251
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$2,238,572)	(\$2,316,965)	(\$2,400,217)	(\$2,486,373)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

STATEWIDE SUMMARY

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<u>Fiscal Impact</u>				
TOTAL Fiscal Impact	0.00	0.00	0.00	0.00
<u>Expenditures</u>				
Operating Expenses	\$64,840	\$0	\$0	\$0
Benefits	\$20,639,338	\$21,850,657	\$23,151,193	\$24,122,624

Fiscal Note Request - As Introduced*(continued)*

TOTAL Expenditures	\$20,704,178	\$21,850,657	\$23,151,193	\$24,122,624
<u>Funding of Expenditures</u>				
General Fund (01)	\$2,238,572	\$2,316,965	\$2,400,217	\$2,486,373
State Special Revenue (02)	\$20,200	\$0	\$0	\$0
Federal Special Revenue (03)	\$18,445,406	\$19,533,692	\$20,750,976	\$21,636,251
TOTAL Funding of Expenditures	\$20,704,178	\$21,850,657	\$23,151,193	\$24,122,624
<u>Revenues</u>				
Federal Special Revenue (03)	\$18,445,406	\$19,533,692	\$20,750,976	\$21,636,251
TOTAL Revenues	\$18,445,406	\$19,533,692	\$20,750,976	\$21,636,251
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$2,238,572)	(\$2,316,965)	(\$2,400,217)	(\$2,486,373)
State Special Revenue (02)	(\$20,200)	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Sponsor's Initials_____
Date_____
Budget Director's Initials

2/25/2025

Date