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**Report to  
The Vermont Legislature**

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**Impact of the 2020 Co-Payment Requirement for Chiropractic and Physical  
Therapy Services Report**

**In Accordance with Act 7 of 2018 (Special Session)**

**Submitted to:** The House Committee on Health Care  
The Senate Committee on Health and Welfare  
The Senate Committee on Finance  
The Green Mountain Care Board

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## EXECUTIVE SUMMARY

Act 7 of 2018 (Special Session), An act relating to co-payment limits for chiropractic care and physical therapy, requires the Department of Vermont Health Access and the health insurance carriers offering qualified health benefit plans on the State's health insurance exchange and reflective silver plans to submit a report to the House Committee on Health Care, the Senate Committee on Health and Welfare, the Senate Committee on Finance, and the Green Mountain Care Board regarding the projected impact of co-payment requirements in accordance with Section 4(b) of the Act. The report, required to be submitted on or before January 1, 2020, shall describe any impacts on plan designs, actuarial values, and premium rates. This report provides an overview of the impact on certain 2020 bronze and silver level qualified health plans and reflective plans affected by the mandated co-payment change for chiropractic and physical therapy services as required in Act 7 of 2018 (Special Session). The Department of Vermont Health Access consulted with the State's qualified health plan issuers, Blue Cross and Blue Shield of Vermont (BCBVSVT) and MVP Health Care (MVP), on content development for this report.

### Plan Designs

Chiropractic services for the affected bronze and silver plans all experience a co-payment increase over the 2019 amount. This is because in 2019 chiropractic service co-payments were equal to primary care physician visits; prior to 2019, chiropractic service co-payments were aligned with higher-cost specialist visits. Conversely, physical therapy service co-payment amounts for bronze and silver level plans affected by Act 7 of 2018 all experience a decrease in 2020. This is because prior to the 2020 coverage year, physical therapy service co-payments were aligned with the specialist visit co-payments; no changes were required in 2019 for physical therapy service co-payments.

### Actuarial Values & Premium Rates

The federal actuarial value calculator does not account for all service categories and chiropractic services is one of those that is not explicitly included in the federal actuarial calculator. Furthermore, the federal government has indicated, and regulations dictate, that modifications should be made only for substantial differences. As a result, the Department's Contractor, Wakely Consulting, has not previously adjusted the results of the federal actuarial value calculator during the annual plan design process for standard plans to reflect chiropractic services cost sharing and did not determine that this regulation would warrant a change to that methodology. Physical therapy, however, is included and the adjusted actuarial value results in a difference ranging from 0.01% - 0.05%. Blue Cross Blue Shield of

Vermont and MVP Health Care reported that the actuarial value impact from the co-payment requirement for chiropractic and physical therapy services for non-standard plans was minimal and within a similar range as the impact figures provided by Wakely Consulting for the affected standard plans. As the impact on actuarial values was minimal, measurable premium rate increases specifically attributed to these changes were not discernible.

## BACKGROUND

Act 7 of 2018 (Special Session), An act relating to co-payment limits for chiropractic care and physical therapy, requires the Department of Vermont Health Access and the health insurance carriers offering qualified health benefit plans on the State's health insurance exchange and reflective silver plans to submit a report to the House Committee on Health Care, the Senate Committee on Health and Welfare, the Senate Committee on Finance, and the Green Mountain Care Board regarding the projected impact of co-payment requirements in accordance with Section 4(b) of the Act on/before January 1, 2020.<sup>1</sup>

The Act addresses the affordability considerations of co-payments for chiropractic and physical therapy services for enrollees in bronze and silver level qualified health plans (QHPs). For co-payment changes applicable to the 2019 benefit year in accordance with Section 4(a) of Act 7, a report was previously submitted.<sup>2</sup> For the 2020 benefit year, Act 7 requires any co-payment for chiropractic and physical therapy services in bronze and silver level qualified health plans and reflective plans to be between 125 and 150 percent of the co-payment amount for primary care services under the plan.

The Department of Vermont Health Access consulted with the State's qualified health plan issuers, Blue Cross and Blue Shield of Vermont (BCBVSVT) and MVP Health Care (MVP), on content development for this report. The Department of Vermont Health Access and the issuers are required to report on the projected impact of the chiropractic and physical therapy co-payment limits for qualified health plans and reflective silver plans on plan designs, plans' actuarial values, and plans' premium rates, including any impacts on the cost-sharing levels and amounts for other health care services. This report provides an overview of the impact on certain 2020 bronze and silver level qualified health plans and reflective plans affected by the mandated co-payment change for chiropractic and physical therapy services as required in Act 7 of 2018 (Special Session).

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<https://legislature.vermont.gov/Documents/2018.1/Docs/ACTS/ACT007/ACT007%20As%20Enacted.pdf>

<sup>2</sup> <https://legislature.vermont.gov/assets/Legislative-Reports/DVHA-Act-7-Report-Chiro-Copay-Effects-on-QHPs-2019.pdf>.

## IMPACT ON PLAN DESIGNS

For the 2019 plan year only, Section 1 of Act 7 required issuers to apply a co-payment for bronze and silver plans equal to the co-payment for primary care services. Beginning with the 2020 coverage year, Section 2(a)(4) requires that for silver and bronze-level qualified health plans and reflective silver plans, chiropractic and physical therapy health care services may be subject to a co-payment requirement between 125 and 150 percent of the co-payment requirement for primary care services under the plan.

The Department of Vermont Health Access worked with qualified health plan issuers and other stakeholders to implement the change for both standard and non-standard plans offered during the 2020 plan year. The 13 affected 2020 bronze and silver qualified health plans reflect the required co-payment limit in the range of 125 to 150 percent of the co-payment for a primary care services; the list of affected plans is provided in Appendix I.<sup>3</sup> Additionally, Appendix I provides a link to each associated summary of benefits and coverage (SBC) document, illustrating the co-payment amount for chiropractic and physical therapy visits on page 2 of each document.

Chiropractic services for the affected bronze and silver plans all experience a co-payment increase over the 2019 amount. This is because in 2019 chiropractic service co-payments were equal to primary care physician visits; prior to 2019, chiropractic service co-payments were aligned with higher-cost specialist visits. Conversely, physical therapy service co-payment amounts for bronze and silver level plans affected by Act 7 of 2018 all experience a decrease in 2020. This is because prior to the 2020 coverage year, physical therapy service co-payments were aligned with the specialist visit co-payments; no changes were required in 2019 for physical therapy service co-payments.

Table 1, below, displays the progression of co-payment amounts for bronze and silver plans affected by Act 7 beginning in 2018 before implementation of the Act and in the 2019 and 2020 coverage years. The 2019 co-payments are provided to illustrate the specific impact of the 2020 requirement for chiropractic and physical therapy visits.

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<sup>3</sup> Vermont also has standard high deductible health plans (HDHPs) at the silver and bronze levels. The HDHP plan designs have coinsurance for chiropractic services and therefore are not impacted by the Act 7 co-payment requirement.

Table 1. 2018 - 2020 Impact of Benefit Progression on Chiropractic and Physical Therapy Co-Payments

Issuer	Qualified Health Plan (QHP)	Chiropractic and Physical Therapy Co-payment 2020	Chiropractic Co-payment 2019	Physical Therapy Co-payment 2019	Physical Therapy and Chiropractic Co-payments 2018
<b>Blue Cross Blue Shield of Vermont</b>	Silver	\$45	\$30	\$75	\$75
	Bronze	\$45	\$35	\$90	\$90
	Bronze Without Rx MOOP	\$50	\$40	\$100	\$100
	Blue Rewards Silver	\$45	\$30	\$50	\$50
<b>MVP Health Care</b>	Silver	\$45	\$30	\$75	\$75
	Bronze	\$45	\$35	\$90	\$90
	Bronze Without Rx MOOP	\$50	\$40	\$100	\$100
	Plus Silver	\$45	\$30	\$60	\$60
	Plus Bronze	\$50	\$40	\$100	\$100

## IMPACT ON ACTUARIAL VALUES

DVHA shared the legislative mandate affecting chiropractic and physical therapy co-payments for bronze and silver level qualified health plans and silver reflective plans with Wakely Consulting.<sup>4</sup> Chiropractic services are not included as a factor in the federal actuarial value calculator (AVC); therefore, the required change to chiropractic service co-payment amounts does not impact the federal actuarial value of bronze and silver plans as calculated prior to enactment of the mandate. As stated in the 2020 Actuarial Memo to Issuers with analysis and findings for the 2020 qualified health plans, the federal actuarial value calculator does not account for all service categories and chiropractic services is one of those that is not explicitly included in the calculator. The federal government states, and regulations dictate, that modifications should be made only for substantial differences. Wakely has not previously adjusted the results of the AVC to reflect chiropractic services cost sharing and does not feel that this regulation would warrant a change to that methodology.

Physical therapy, however, is included in the AVC and the actuarial value impact of the copay changes is summarized in Table 2.

Table 2a - 2c. 2020 Actuarial Value Impact on Standard Qualified Health Plans

### 2a. Standard Silver Deductible Plan

Scenario	Patient Co-payment	Adjusted Actuarial Value	Difference
2020 Standard Plan Design	\$45	71.79%	0.05%
Patient Co-payment Same as 2019 Design	\$75	71.74%	

<sup>4</sup> Wakely Consulting is the actuarial firm under contract with the Department of Vermont Health Access and advises the Department on the annual design of standard qualified health plans.

2b. Standard Bronze Deductible Plan with RX Limit

Scenario	Patient Copay	Adjusted Actuarial Value	Difference
2020 Standard Plan Design	\$45	61.99%	0.01%
Patient Co-payment Same as 2019 Design	\$90	61.98%	

2c. Standard Bronze Deductible Plan without RX Limit

Scenario	Patient Copay	Adjusted Actuarial Value	Difference
2020 Standard Plan Design	\$50	63.99%	0.05%
Patient Co-payment Same as 2019 Design	\$100	63.94%	

It is important to emphasize that Wakely’s analysis, that informs plan designs, focuses exclusively on the federal actuarial value calculator which is separate from the actuarial analysis performed by each of Vermont’s issuers (BCBSVT and MVP).

Blue Cross Blue Shield of Vermont (BCBSVT) and MVP Health Care’s (MVP) actuarial value calculations include additional specific adjustments to determine the actuarial value of the chiropractic and physical therapy service mandate on non-standard plans. Both BCBSVT and MVP reported that the actuarial value impact from the co-payment requirement for chiropractic and physical therapy services for non-standard plans was minimal and within a similar range as the impact figures provided by Wakely Consulting for the affected standard plans. Additionally, the actuarial values for the reflective versions of silver plans impacted by Act 7 are identical to the cost-sharing reduction silver plans and are thus not reported separately. In future years, it is possible that chiropractic and physical therapy services may have a greater upward impact on the affected bronze and silver plans’ actuarial value levels if Vermont’s issuers experience a significant utilization increase.

## IMPACT ON PREMIUM RATES

As stated above, the impact of the mandated co-payment changes for chiropractic and physical therapy services on actuarial value was negligible according to both Blue Cross Blue Shield of Vermont and MVP Health Care's actuaries. It follows that with an observed minimal impact for actuarial values, measurable premium rate increases specifically attributed to these changes were not discernible. Further diminishing the impact for actuarial values and premium rates for plan year 2020 is the counterbalancing increase for the chiropractic visit co-payments compared to the decreased co-payments for physical therapy visit co-payments when compared to the 2019 plan year (refer to Table 1).

## APPENDIX I

**Table 3. List of Affected 2020 Bronze and Silver Plans, with Links to Summary of Benefits and Coverage Documents.**

Issuer & Plan Name	URL to View Summary of Benefits & Coverage (SBC)
BCBSVT Bronze Plan	<a href="https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/BCBSVT/Bronze%20Standard%20%246%2C000.pdf">https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/BCBSVT/Bronze%20Standard%20%246%2C000.pdf</a>
BCBSVT Bronze Plan Without Rx MOOP	<a href="https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/BCBSVT/Bronze%20Standard%20%247%2C900.pdf">https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/BCBSVT/Bronze%20Standard%20%247%2C900.pdf</a>
BCBSVT Silver Plan	<a href="https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/BCBSVT/Silver%20Standard.pdf">https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/BCBSVT/Silver%20Standard.pdf</a>
BCBSVT Blue Rewards Silver Plan	<a href="https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/BCBSVT/Silver%20Blue%20Rewards.pdf">https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/BCBSVT/Silver%20Blue%20Rewards.pdf</a>
BCBSVT Silver Reflective Plan	<a href="http://www.bcbsvt.com/wps/wcm/connect/0397fcb9-1f2c-4131-844c-b7b0ef139166/standard-silver-reflective-2020.pdf?MOD=AJPERES">http://www.bcbsvt.com/wps/wcm/connect/0397fcb9-1f2c-4131-844c-b7b0ef139166/standard-silver-reflective-2020.pdf?MOD=AJPERES</a>
BCBSVT Blue Rewards Silver	<a href="http://www.bcbsvt.com/wps/wcm/connect/fad32014-eaab-4b3d-ae6d-84adc18daa04/blue-rewards-silver-reflective-2020.pdf?MOD=AJPERES">http://www.bcbsvt.com/wps/wcm/connect/fad32014-eaab-4b3d-ae6d-84adc18daa04/blue-rewards-silver-reflective-2020.pdf?MOD=AJPERES</a>

Reflective	
<b>Issuer &amp; Plan Name</b>	<b>URL to View Summary of Benefits &amp; Coverage (SBC)</b>
MVP Bronze Plan	<a href="https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/MVP/MVP%20VT%20Bronze%202.pdf">https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/MVP/MVP%20VT%20Bronze%202.pdf</a>
MVP Bronze Plan Without Rx MOOP	<a href="https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/MVP/MVP%20VT%20Bronze%204.pdf">https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/MVP/MVP%20VT%20Bronze%204.pdf</a>
MVP Plus Bronze Plan	<a href="https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/MVP/MVP%20VT%20Plus%20Bronze%201.pdf">https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/MVP/MVP%20VT%20Plus%20Bronze%201.pdf</a>
MVP Silver Plan	<a href="https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/MVP/MVP%20VT%20Silver%203.pdf">https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/MVP/MVP%20VT%20Silver%203.pdf</a>
MVP Plus Silver Plan	<a href="https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/MVP/MVP%20VT%20Plus%20Silver%201.pdf">https://info.healthconnect.vermont.gov/sites/hcexchange/files/2020_SBCs/MVP/MVP%20VT%20Plus%20Silver%201.pdf</a>
MVP Silver Reflective Plan	<a href="http://mvpsbc.arvatocim.com/SBCPDFs/VT-HMO-S-003-S%20II%20(2020)-487656.pdf">http://mvpsbc.arvatocim.com/SBCPDFs/VT-HMO-S-003-S%20II%20(2020)-487656.pdf</a>
MVP Plus Silver Reflective Plan	<a href="http://mvpsbc.arvatocim.com/SBCPDFs/VT-HMO-S-001-N%20II%20(2020)-487654.pdf">http://mvpsbc.arvatocim.com/SBCPDFs/VT-HMO-S-001-N%20II%20(2020)-487654.pdf</a>