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**Impact of the 2019 Co-Payment Requirement for  
Chiropractic Services**

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**Report to House Committees on Health Care and on Human  
Services; Senate Committees on Health and Welfare and on  
Finance; and the Green Mountain Care Board  
Pursuant to Act 7  
(2018 Special Session)**

**Al Gobeille, Secretary**  
Vermont Agency of Human Services

**Cory Gustafson, Commissioner**  
Department of Vermont Health Access

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# Impact of the 2019 Co-Payment Requirement for Chiropractic Services - Report

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## Background

Act 7 of the 2018 Special Session aims to improve affordability of co-payments (copays) for chiropractic services for enrollees in bronze and silver level qualified health plans (QHPs).<sup>1</sup> The Legislature identified a concerning outcome in the coverage of chiropractic services in health plans that aligned the copay for chiropractic services with that of a specialist visit.<sup>2</sup> In certain silver QHPs with this design, the copay was greater than the cost of the service (though customers were never charged more than the cost of the service). Act 7 addresses that issue for 2019 by aligning the copay for chiropractic services in these plans with that of primary care visits.

Act 7 also directs the Department of Vermont Health Access (DVHA) and QHP issuers to report on the impact of these changes. This report provides an overview of the impact on 2019 bronze and silver level QHPs affected by the mandated co-payment change for chiropractic services.

## Act 7 2019 Co-Payment Requirement

Act 7 Section 1 requires that, for plan year 2019 only, for silver and bronze level QHPs and reflective silver plans, health care services provided by a chiropractic physician may be subject to a co-payment requirement, provided that any co-payment amount shall be equal to the amount of the co-payment applicable to care and services provided by a primary care provider under the plan.

DVHA worked with QHP issuers to implement this change for the 2019 plan year. The following affected 2019 bronze and silver QHPs reflect the required copay limit equal to the copay for a primary care physician visit.<sup>3</sup> Follow the link provided to view the summary of benefits and coverage (SBC) document, illustrating the co-payment amount for chiropractic visits equivalent to primary care physician visits, on page 2 of each document.

Issuer & Plan Name	URL to View Summary of Benefits & Coverage (SBC)
BCBSVT Standard Bronze Plan	<a href="http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/BronzeStandard5500.pdf">http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/BronzeStandard5500.pdf</a>
BCBSVT Standard Bronze Plan Without Rx MOOP	<a href="http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/BronzeStandard7600.pdf">http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/BronzeStandard7600.pdf</a>
BCBSVT Blue Rewards Bronze Plan	<a href="http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/BronzeBlueRewards.pdf">http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/BronzeBlueRewards.pdf</a>
BCBSVT Standard Silver Plan	<a href="http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/SilverStandard.pdf">http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/SilverStandard.pdf</a>
BCBSVT Blue Rewards Silver Plan	<a href="http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/SilverBlueRewards.pdf">http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/SilverBlueRewards.pdf</a>

<sup>1</sup> <https://legislature.vermont.gov/assets/Documents/2018.1/Docs/Acts/ACT007/ACT007%20As%20Enacted.pdf>

<sup>2</sup> See 8 VSA § 4088a

<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.

MVP Standard Bronze Plan	<a href="http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/MVP/FRVT-HMO-B-002-S_2019.pdf">http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/MVP/FRVT-HMO-B-002-S_2019.pdf</a>
MVP Standard Bronze Plan Without Rx MOOP	<a href="http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/MVP/FRVT-HMO-B-004-S_2019.pdf">http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/MVP/FRVT-HMO-B-004-S_2019.pdf</a>
MVP Plus Bronze Plan	<a href="http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/MVP/FRVT-HMO-B-001-N_2019.pdf">http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/MVP/FRVT-HMO-B-001-N_2019.pdf</a>
MVP Standard Silver Plan	<a href="http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/MVP/FRVT-HMO-S-003-S_2019.pdf">http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/MVP/FRVT-HMO-S-003-S_2019.pdf</a>
MVP Plus Silver Plan	<a href="http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/MVP/FRVT-HMO-S-001-N_2019.pdf">http://info.healthconnect.vermont.gov/sites/hcexchange/files/2019_SBCs/MVP/FRVT-HMO-S-001-N_2019.pdf</a>

The chart below illustrates the average costs per visit and cost sharing for chiropractic services for the two standard silver plan designs for 2018 and 2019. The range does not represent the minimum and maximum, but rather estimates the average costs for most visits. These figures were provided by QHP issuers and validated by Wakely Consulting through the VHCURES data set. The 2018 and 2019 plan design information is actual.

**Average allowed cost compared to copay for chiropractic services in standard silver QHPs**  
**2018-2019**

Plan		Average Allowed Cost per Visit (Provider Payment) <sup>1</sup>	Copay (or Member payment) per Visit <sup>2</sup>	Average Plan Payment per Visit	Notes
2018	Silver Deductible	\$65 - \$100	\$65-75	\$0 - \$25	Assumes member pays lesser of provider allowed amount and plan copay of \$75, copay applies prior to deductible
2019	Silver Deductible	\$66 - \$103	\$30	\$36 - \$73	Chiropractic services copayment equal to PCP, copay applies prior to deductible

Source: Wakely Consulting, November 2018

1. Allowed costs per visit for 2018 were provided by MVP and BCBSVT. These costs have been trended forward to the applicable year based on the total unit cost trend reported in MVP and BCBSVT rate filings for 2019.
2. Does not include the impact of the deductible or MOOP, assumes that member has met their deductible, but has not yet reached their MOOP.

## Impact Report

Act 7 Section 4(a) requires that on or before January 1, 2019, DVHA and the health insurance carriers offering QHPs on the Vermont Health Benefit Exchange submit a report to the House

Committee on Health Care, the Senate Committees on Health and Welfare and on Finance, and the Green Mountain Care Board (GMCB) regarding the projected impact of the chiropractic co-payment limit for QHPs and reflective silver plans for plan year 2019 as required by Sec. 1 of Act 7 on the plans' premium rates, on the plans' actuarial values, and on plan designs, including any impacts on the cost sharing levels and amounts for other health care services.

The following section summarizes the impact of the change in these areas. Note that this impact can be considered actual, not projected, since rates and plans are finalized for 2019. However, given that rates and plans are based on actuarial projections, there could be additional impacts in 2020 resulting from this change.

DVHA prepared this report in consultation with QHP issuers Blue Cross and Blue Shield of Vermont (BCBSVT) and MVP Health Care (MVP).

### Premium Rates

In its amended rate filing dated July 18, 2018, BCBSVT requested an increase of 0.1% within its overall rate increase due to the estimated impact of the mandated decreased copays for chiropractic visits for enrollees in bronze and silver level plans. This 0.1% increase reflects both the chiropractic requirement and the requirement under Act 141 (2018) for enrollees to receive certain breast imaging services with no cost share.<sup>4</sup> MVP covers chiropractic services through a capitated arrangement with providers. The Act 7 requirement did not impact this contract, therefore there was no rate impact for MVP's 2019 QHP premium rates.

### Actuarial Value (AV)

DVHA reviewed the 2019 legislative mandate affecting chiropractic copays for bronze and silver level QHPs and silver reflective plans with Wakely Consulting, the actuarial firm under contract to advise DVHA with annual design of standard QHPs. Chiropractic services are not included as a factor in the federal actuarial value calculator (AVC); therefore, the required change to chiropractic services does not impact the federal AVs of bronze and silver plans as calculated prior to enactment of the mandate. As stated in the 2019 Actuarial Memo to issuers with analysis and findings for the 2019 QHPs, 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 has stated and regulations dictate that modifications should be made only for substantial differences. Wakely has not previously made adjustments to 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.

It is important to emphasize that Wakely's analysis to inform plan designs focuses on the Federal AV Calculator which is separate from the actuarial analysis performed by each of the Vermont issuers to determine the rate impact (see above).

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<sup>4</sup> <https://legislature.vermont.gov/assets/Documents/2018/Docs/ACTS/ACT141/ACT141%20As%20Enacted.pdf>

## Plan Design

For the 2019 benefit year, no changes were made to cost shares for other services in bronze and silver plans as a result of the mandated copay for chiropractic visits. There are two primary reasons for this, the first of which is that there was no impact to the AV as stated previously. Under a scenario where a benefit cost share change in one area causes an increase to overall AV, the QHP planning stakeholder group customarily adjusts the cost share amount(s) for one or more other benefits to counterbalance the AV impact. That was unnecessary in the case of the chiropractic change in 2019. The other reason it was decided not to adjust cost share amounts to other services for the 2019 benefit year, was that the impact on utilization of chiropractic services due to the cost share limit was uncertain. More information will become available with Vermont-specific claims information for 2019.

## QHP Certification

While the impact of the 2019 change to chiropractic copays on premiums, AV, and design is modest, its primary impact is operational in nature. In the early fall each year, DVHA convenes a broad-based group of stakeholders for the purpose of modeling plan design changes and developing the set of standard QHPs for the second following year. For example, stakeholder work began in fall 2017 for 2019 QHPs. The stakeholder group consists of representatives of multiple organizations: each QHP issuer (BCBSVT, MVP, and Northeast Delta Dental); Vermont Legal Aid; staff from the Department of Financial Regulation (DFR); staff from the GMCB; several representatives from DVHA including plan management, outreach and education, the assister program; and actuarial support from Wakely Consulting.

This design phase of the QHP certification process is intended to include consideration and implementation of all required benefits for the plan year. The annual plan certification process proceeds as follows:

- Following the stakeholder work and actuarial analysis, DVHA presents standard plan designs to the GMCB for approval in January.
- In the first week of March, QHP issuers are required to submit detailed plan documents, including contracts, or certificates, and benefit summaries, to DFR for form review.<sup>5</sup> DFR has 30 days to affirmatively approve or disapprove forms or request further information.<sup>6</sup>
- Following form approval, the GMCB undertakes rate review. This includes issuer rate submission in early May, followed by a detailed actuarial review and issuance of an actuarial report by the GMCB's contract actuaries, an open public comment period, participation of the Office of Health Care Advocate that includes an opportunity to submit written interrogatories to the insurers, public hearings in mid-July, and within 90

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<sup>5</sup> 8 VSA § 4062

<sup>6</sup> 8 VSA § 4062(h)(2)

days of the initial filing, issuance of formal rate decisions.<sup>7</sup> Besides the limits imposed under State law, the timeline for rate review is stipulated federally.<sup>8</sup>

- QHPs must be certified by DVHA after rates are finalized and the appeal window is complete.<sup>9, 10</sup> Federal law requires formal certification no later than October 15;<sup>11</sup> however, loading the plans into the exchange for customer review and enrollment takes four to six weeks. Therefore, it is critical that Vermont plans be certified before early September to ensure operational readiness.

The 2019 changes to chiropractic copays in Act 7 passed June 25, 2018. As of this date, QHP design and forms had already been approved and rates had been filed. Benefit summaries and plan contracts submitted by issuers in March and approved by DFR in early June, had to be revised and resubmitted to reflect the change. Representatives from BCBSVT and MVP met with DFR in June 2018 to discuss necessary changes to plan documents. Issuers also needed to revise their financial analyses supporting rate filings to consider revision of their submissions to the GMCB. The change required refiling of rates by BCBSVT as noted above.

The GMCB took up the amended rate filings in late July and was able to issue its orders as scheduled in August. DVHA was able to certify the plans expeditiously after that and to load the plan data into the exchange, keeping the certification timeline on track in advance of open enrollment. This was particularly important for 2019 which included other enrollment changes as a result of federal cost-sharing reduction (CSR) defunding and “silver-loading.”

In brief, due to extraordinary effort, the State was able to accommodate this change for 2019 without missing applicable regulatory deadlines. State entities and issuers worked together to make this process as efficient as possible. But the change did in fact impact the QHP certification timeline for 2019. It is highly disruptive to plan for the possibility of changes so far into the process. Plan design changes late in the annual QHP certification cycle impose significant risk of mistakes and missed deadlines with important operational inter-dependencies, jeopardizing Vermont’s preparedness for annual open enrollment. With 2020 QHP design now underway, we greatly appreciate the legislators’ awareness of the time sensitivity around any further changes.

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<sup>7</sup> 8 VSA § 4062

<sup>8</sup> See 45 CFR § 154.220; <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Rate-Review-Timeline-Bulletin-for-PY2019.pdf>

<sup>9</sup> 45 CFR § 155.1010; 33 VSA § 1806

<sup>10</sup> 8 VSA § 4062(g)

<sup>11</sup> 45 CFR § 155.1075

## Conclusion

Though the impacts on 2019 QHPs as a result of the mandated copay limit for chiropractic services are relatively minor in terms of actuarial value, premium rates, and other benefit design changes, the operational impact was more significant.

DVHA and other stakeholders support the objective of improving the affordability and value of the qualified health plans in the exchange market. We appreciate the problem identified and addressed by the 2019 chiropractic copay requirement in Act 7. However, we caution against further mandated cost sharing for specific service types. It inhibits flexibility and innovation in plan design; it has the potential to compromise primary care incentives; and it could lead to significant AV and premium impact if increased in scale. We direct legislators to the work of the Act 7 working group on non-opioid approaches to treating and managing pain for further recommendations about insurance coverage of chiropractic and other services in that context.<sup>12</sup>

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<sup>12</sup> Legislative Report Pursuant to Act 7 (2018 Special Session) titled “Health Insurance Coverage for Non-Opioid Approaches to Treating and Managing Pain”, submitted by DVHA on Dec. 14, 2018, available here: <https://legislature.vermont.gov/reports-and-research/find/2018.1>