



STATE REPRESENTATIVE

KATHY BERNIER

January 28, 2016

Assembly Committee on Insurance
Testimony on Assembly Bill 809

Good morning Chairman Petersen and committee members. Thank you for holding a Public Hearing on Assembly Bill 809 today, and for allowing me the opportunity to submit written testimony in support of the bill.

In 1987, Governor Tommy Thompson signed into law the state's first chiropractic insurance equality statute, Wis. Stat. § 632.87(3), which prohibits insurers from excluding coverage for conditions that can be treated by a chiropractor and requires equal application of deductibles and coinsurance, as well as cost containment and quality assurance measures, between chiropractors and physicians.

In the 28 years since this law was enacted, the provision of health care and the management of healthcare providers and costs has been continually modernized. We have witnessed the rise of HMOs and the implementation insurance compacts and the Affordable Care Act among many other numerous industry modernizations. Unfortunately, the insurance equality statutes have not been modernized to keep pace with current practices and terms.

Senator Roth and I are introducing Assembly Bill 809 which will update the current chiropractic insurance equality statutes so that the protections initially sought by the Legislature and Governor Thompson three decades ago continue to protect Wisconsin's chiropractic patients today and for many years to come.

The changes proposed in AB 809 will do three things:

1. In addition to equal application of deductibles and coinsurance, which already exist in statute, AB 809 would require equal application of copayments and utilization management measures between chiropractors and primary care physicians.
2. AB 809 would require insurers to apply the same standards to chiropractors as the insurer uses in determining the number of primary care physicians to be included in its network. This will ensure that those covered by insurance policies receive the same reasonable and timely access to chiropractors as they do to primary care physicians.
3. AB 809 requires health insurers to file an annual report with the Office of the Commissioner of Insurance that demonstrates the insurer's compliance in the previous year with the requirements in AB 809.

Again, thank you for hearing Assembly Bill 809 today and for allowing me to submit written testimony in support of the bill. I am confident that those testifying in support of this reasonable update to our statutes will address any questions or concerns you may have.

(608) 266-9172
Toll-Free: (888) 534-0068
Fax: (608) 282-3668
Home: (715) 720-0326

P.O. Box 8952 • Madison, WI 53708-8952
Rep.Bernier@legis.wi.gov

To: Members, Wisconsin Legislature
From: R.J. Pirlot, Alliance of Health Insurers
Tim Lundquist, Wisconsin Association of Health Plans
Steve Baas, Metropolitan Milwaukee Association of Commerce
Bill G. Smith, National Federation of Independent Business-Wisconsin Chapter
Tim Hoven, Wisconsin Academy of Family Physicians
Chris Reader, Wisconsin Manufacturers & Commerce
Mark Grapentine, Wisconsin Medical Society
Subject: **Opposition to AB 809, Rep. Bernier/Sen. Roth legislation creating new
chiropractor mandates**
Date: January 28, 2016

Recently-circulated legislation would, under the false guise of promoting nondiscriminatory coverage of chiropractic services, raise health care insurance costs in Wisconsin. We strongly encourage you to oppose Assembly Bill (AB) 809.

AB 809 would:

1. Mandate that copays and coinsurance for chiropractors must be no greater than those charged for the “same or similar services” provided by a primary care physician. Copays and coinsurance are structured to help encourage beneficiaries to only seek medical care that is necessary and to do so in a manner which promotes the delivery of health care services to keep costs low and quality high.

Co-payments and coinsurance are tiered for a reason. Insurers recognize the value of all types of services provided to patients. The use of tiered co-payments and coinsurance is not to discourage the use of any “type” of provider, but rather to ensure that the most appropriate provider is delivering care for a patient’s specific health care needs. Health insurance plans understand that all providers are not the same. For example, a primary care physician provides comprehensive diagnostic and medical services to patients that are very different than say a podiatrist who is focused on the care and treatment of a particular area of the body. It does not make sense to combine different types of providers into the same co-payment and coinsurance structure given the fact that the scope of practice is vastly different. Attempts to create “parity” among providers with respect to co-payments and coinsurance removes tiered mechanisms for certain types of specialists, and sets a dangerous precedent; opening the door for other specialty providers to do the same.

In addition, legislation that attempts to reduce a co-payment or coinsurance to match the amount provided to a primary care provider (PCP) diminishes a PCP’s role to triage health care needs and recommend appropriate services for a consumer to make informed choices about their health care. A key function of a PCP is ensuring continuity of care is maintained across a patient’s entire health care profile— something that is lost if cost-sharing incentivizes consumers to use specialty providers for their PCP health care services.

Restructuring these amounts by government fiat:

- Undermines the importance of primary care.

- Will hurt the ability of health plans to direct the delivery of care in the most cost effective manner possible.
- Fails to recognize the differences inherent in the training and practices of these providers.

2. Mandate insurers use the same cost containment strategies as applied to primary care physicians.

This provision:

- Ignores the fact that the manner in which care is provided by chiropractors differs significantly from that provided by primary care physicians. A member typically goes to the primary care physician for one visit to treat a specific ailment (e.g., sinus infection) or for their annual physical. A member typically goes to a chiropractor multiple times over the course of a period of time in order to treat a specific ailment. Because the manner of care often differs between primary care physicians and chiropractors, cost containment strategies often differ as a result.

3. Mandate insurers apply the same network standards to chiropractors, in the same manner and using the same methodology, such as provider-to-insurer ratios, waiting times, and geographic accessibility standards, that are applied to primary care physicians. This provision:

- Ignores that the National Association of Insurance Commissioners (NAIC), for which Wisconsin Insurance Commissioner Ted Nickel serves as an officer, recently adopted a model act regarding managed care network adequacy. J.P. Wieske, also of Wisconsin, served as Chair of the NAIC subgroup working on this issue. Consideration of network adequacy issues in AB 809 would be premature prior to the consideration by Wisconsin adopting the NAIC Model Act.
- Ignores, for example, that different providers, for justifiable reasons, can legitimately have different provider-to-insured ratios because, for example, patient demand for different providers can vary.

4. Create burdensome new reporting requirements and ridiculously high forfeitures for noncompliance on the Wisconsin insurance industry.

Over the last four years, the Wisconsin Legislature and Governor Walker have been cutting the administrative burden on Wisconsin businesses and freeing job creators from bureaucratic red tape. AB 809 would require health insurers to file unneeded reports with the Office of the Commissioner of Insurance which, in essence, amount to insurers reporting they understand and follow Wisconsin law regarding coverage of chiropractic services. This is an unnecessary reporting requirement. If a provider or an insured thinks an insurer is not following the law, he or she should file a complaint with the Office of the Commissioner of Insurance.

We respectfully urge you to oppose this health care cost-raising legislation.

For more information, please contact:

R.J. Pirlot, Alliance of Health Insurers, at 608-258-9506.

Tim Lundquist, Wisconsin Association of Health Plans, at 608-255-8599.