



# Co-Payment Limitations on Insurance

## **Background Information**

There are many occasions where the patient's co-payment amount approaches or exceeds the entire charge for services rendered by a health care provider. When patients are forced to pay high co-payment amounts resulting in little or no obligation on the insurance company's part, it renders the patient's insurance illusory and as a practical matter voids coverage.

## **The Issue**

- Some insurance providers incorrectly classify chiropractic physicians as “specialty health care providers,” which creates an even higher co-pay amount for the patient, due to insurance company custom of higher co-pays for specialties.
- Insurance providers who sell policies that require these high co-pay amounts for chiropractic care are selling “phantom” insurance policies. Patients are paying excessively high co-pays in addition to premiums and receive no benefit from either.
- Missouri has a law similar to Illinois Chiropractic Society's proposed legislation that prohibits the imposition of any co-payment that exceeds 50% of the total cost of providing any single chiropractic service. The Missouri law, though beneficial to the citizens of Missouri, has created a competitive disadvantage for chiropractic physicians in Illinois that practice along the Missouri/Illinois border.

## ***Examples:***

Example 1 - A patient has a health plan that requires a \$40 co-pay for a chiropractic office visit, and the total amount for covered services provided in that single visit is \$35. Because the patient's co-pay is greater than the charges for the services performed, the patient receives no contribution from the insurance company and no benefit from having insurance that covers chiropractic care.

Example 2 - A patient pays a \$40 copay for chiropractic care and the cost for the covered services is \$42. The patient only receives a \$2 benefit for the office visit, but with insurance premiums they are effectively receiving no benefit by having chiropractic coverage.

## **Legislative Recommended Action**

The Illinois Chiropractic Society has introduced legislation, HB 693 (Martwick), that would amend the Illinois Insurance Code by limiting the amount that a Health Insurance carrier may set for co-payments to health care providers for covered services in a single visit. Provides that a health plan cannot require a patient to pay a fixed co-pay amount that is more than 50% of the total charges for a single visit. The legislation applies only to co-payments and would not change anything related to a patient's deductible amount. Therefore, we ask for your future support of this legislation.

**SUPPORT HB 693 (Martwick)**