



GEORGIANS FOR A HEALTHY FUTURE

THE VOICE FOR GEORGIA HEALTH CARE CONSUMERS

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SR 561 Consumer and Provider Protection Act Senate Study Committee Talking Points

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Senator Burke and Members of the Study Committee, thank you for giving me the opportunity to address you today on the important consumer issue of network adequacy.

My name is Meredith Gonsahn and I am the Health Policy Analyst at Georgians for a Healthy Future. Georgians for a Healthy Future is a consumer health advocacy organization that provides a strong voice for Georgia consumers and communities on health care issues that impact their lives. We work through coalition-building, outreach and education and policy development.

I am here today to share some insight on why network adequacy is an important issue impacting Georgian's access to care. I will also share some policy areas in which existing standards can be improved to ensure that consumers have timely access to care, a sufficient choice of providers, and the necessary information to make informed decisions about the health plans they select.

The issue: What is Network Adequacy?

So what is network adequacy?

When consumers enroll in a health insurance plan, they gain access to a network of medical providers. A network is a group of health care providers that contract with a health insurance company to deliver health care services within the plan's benefit package. Providers that contract with an insurer are called "in-network providers" and those who do not are called "out-of-network providers". Networks can include primary care and specialty physicians, labs, hospitals and other facilities, pharmacies, X-ray facilities and home health services. A health plan's ability to provide consumers with adequate access to a plan's covered benefits is what is called network adequacy. More specifically, to be considered adequate, a network must provide sufficient numbers, types and geographic distribution of providers; and must ensure that access to care is timely.

Why is Network Adequacy Important to Consumers?

Although more and more Georgians are enrolling in health plans, being insured does not always translate to access. Consumers still face access to care challenges because of limited provider choice through narrow networks. In addition, for certain types of providers, like mental health providers, PCPs and specialists, network adequacy is a problem that persists in plans that have so-called broad networks and even in some large employer plans.

Narrow networks are designed to offer a limited choice of providers and services to contain costs. These types of networks are not new and are becoming more commonplace, especially with marketplace plans. In fact,

- One study found that 41% of the provider networks in plans offered on the marketplaces included 25% or less of physicians in areas of serviceⁱ
- Another study found that 83% of networks in Georgia were narrow; the highest of all statesⁱⁱ

Narrow networks are a very big concern for consumers because as more and more Georgians enter the health insurance market it is important that the plans they pay premiums for provide access to timely, affordable and sufficient care. When a network is inadequate, a consumer must make the choice between forgoing care or seeking care out-of-network, which places consumers at risk of getting large medical bills they cannot pay. A California HealthCare Foundation study found that the average potential balance bill amount was \$1,289, in addition to the average patient cost sharing amount of \$433ⁱⁱⁱ. Consumers should not be forced to go out-of-network to access services. If that truly is the only option because provider networks cannot deliver the benefits that insurance contracts guarantee, consumers should be held harmless from any additional costs.

Therefore, it is important to put some standards in place so that all consumers have reasonable access to all of the covered services in their benefit package.

Also, issues with accuracy of provider directories have been closely tied to concerns about network adequacy. When choosing a health plan, consumers have a variety of tools to help them decipher the plan's benefit package and cost-sharing requirements such as co-payments and deductibles. They don't, however, have any information to determine if a plan's provider network is narrow or broad and, even more concerning, to determine which providers are in the plans which they are choosing. Provider directories are the only tool available to consumers to make informed decisions about where they put their premium dollars, and they are routinely inaccurate. Oftentimes directories include information that has been inaccurate for months or even years regarding whether a provider has left a plan or changed their contact information. Patients also cannot get accurate information about whether providers are taking new patients. In turn, consumers who are left to rely on these inaccurate directories are vulnerable to disruption of care, balance bills and other burdens.

A Consumers Union Survey found that 1 in 7 privately insured people have been surprised to find out that a doctor, lab, or facility that they thought was in-network was actually out-of-network^{iv}. To make the best decisions they can for themselves and their families, consumers need accurate information.

The accuracy of provider directories is important to Georgia's regulators because this information helps to identify and correct problems with access to care. In 2014 the U.S.

Department of Health and Human Services Inspector General released a report on the evaluation of state's adequacy of access to care for enrollees in their Medicaid managed care^y. The report found that Georgia had an issue with inaccurate information causing consumers to experience challenges with getting the care that they needed. The state identified access to care violations through secret shopper calls to providers to confirm the accuracy of information included in directories.

That is why it is important to set stronger transparency provisions for provider directory accuracy so that consumers know what they are getting when they choose a plan and that they can access all of the covered services in their benefit package through in-network providers without facing unexpected medical bills, access barriers and associated financial and health costs. The state will also benefit from standards that set clear requirements for provider directory accuracy because this is a tool regulators can use to assess the sufficiency of access to care.

Policy Opportunities to Strengthen Network Adequacy Standards in Georgia

Because of the dual role of federal and state governments with respect to health insurance regulation, what these standards are and how they are enforced is up to the states. Georgia has great latitude to improve existing network adequacy standards through state legislation, to better ensure necessary access to care and information for insured Georgians. The following are ways in which network adequacy standards can be improved in Georgia:

- 1- Adopt network adequacy standards market-wide for private plans that offer networks

Currently in Georgia, there are different network adequacy standards for plans sold in and out of the marketplace. Federal law and regulations establish a broad level of network adequacy standards for plans offered on the marketplace, states have the ultimate authority to build upon them. At present Georgia has opted to not do so. Outside the marketplace, Georgia reviews managed care plans for network adequacy under Georgia Code Section 33-20A-5. Establishing a baseline of strong standards for plans both in and out of the marketplace would ensure that all consumers have reasonable access to care and that all plans are operating under a fair set of rules.

- 2- Establish meaningful, clear quantitative access to care standards that set time and distance standards, appointment wait times and inclusion of essential community providers

Current standards in and out of the marketplace are broad and leave many criteria for measuring a network's sufficiency open to interpretation by insurers. How far a person

has to drive to get care or sufficient choice of providers should not be loosely interpreted. Therefore it is necessary to set strong, clear, quantitative access to care standards with input from a range of stakeholders.

- 3- Strengthen transparency provisions and standards for reviewing the accuracy of provider directory data to improve provider directories
Georgians should have reliable provider directory that is up-to-date, easily readable and contains the necessary information for consumers to understand their plan's network.

What is GHF Doing?

States across the country are starting to talk about network adequacy and implement standards that are consumer-focused. I would like to thank Senator Burke for bringing the issue to the attention of this committee.

Georgians for a Healthy Future is working on recommendations for network adequacy standards that are Georgia-specific. We are researching frameworks, including the NAIC Model Act, and other state's approaches to setting network adequacy standards, as well as analyzing the areas in which Georgian consumers would most benefit from policy changes. We will release a policy brief outlining our research and recommendations in a few weeks and will send that to you. We hope to work with you in this process to ensure that standards are fair to all stakeholders, including health care consumers in Georgia. Thank you once again for allowing me to share with you the consumer's perspective on network adequacy.

I am happy to take any questions you have!

ⁱ Dorner, S. Adequacy of Outpatient Specialty Care Access in Marketplace Plans under the Affordable Care Act. JAMA October 2015

ⁱⁱ UPenn Leonard Davis Institute of Health Economics. State Variation in Narrow Networks on the ACA Marketplaces. August 2015

ⁱⁱⁱ Consumer Reports National Research Center. Surprise Medical Bills Survey 2015 Nationally- Representative Online Survey. May 5, 2015

^{iv} Hoadley J, et al. California HealthCare Foundation. Unexpected Charges: What States Are Doing About Balance Billing. April 2009

^v HHS Office of Inspector General. State Standards for Access to Care in Medicaid Managed Care. September 2014

Access to Care Standards

Timely Access

- **CA:** HMOs & PPOs, within 10 business days for PCP, 15 days for specialist, 10 days for non-physician mental health provider, 48- 96 hours for urgent care (HMO)
- **WA:** Health plans are required to demonstrate that enrollees can get appointments with PCPs within 10 business days
- **TX:** HMOs & PPOs, Urgent care 24 hours, routine care 2 weeks to 3 months

Adequate Numbers of Providers

- **CA:** 1 physician per 1200 enrollees, 1 PCP per 2000 enrollees
- **DE:** 1 PCP per 2000 enrollees

Inclusion of ECPs: ECPs serve predominantly low-income, underserved populations

- **CT:** marketplace plans must include 90% of the FQHCs in the state, uses its own list of ECPs instead of the DHHS database
- **MN:** requires health plans with 50,000+ enrollees to contract with ECPs in the plan's service area

Adequate Geographic Distribution of Providers

- **TX:** (HMO) 30 miles for primary care, 75 miles for specialty care, (PPO) 30 miles in non-rural areas and 60 miles in rural areas for primary care, 75 miles for specialty care
- **NJ:** standards are modified to meet the needs of enrollees who rely on public transportation

Rights to Go Out of Network

- **NY:** Enrollees may receive referrals to OON providers when the networks do not have geographically accessible providers to meet the needs of enrollees, the plan will pay for OON services other than the usual in-network cost sharing, if there is a disagreement the enrollee has a right to appeal through the state's independent external review system
- **DE:** If a plan is unable to provide sufficient number of providers that are geographically accessible within a reasonable period of time, the plan must cover OON services, the OON provider is prohibited from balance billing

Provider Directory Accuracy

- **TX:** (PPO) updated at least quarterly, required to identify providers that are in and out of networks, a guarantee to honor provider directory information, process for the public to report inaccuracies (email, toll-free number) and plan is required to investigate and report inaccurate information