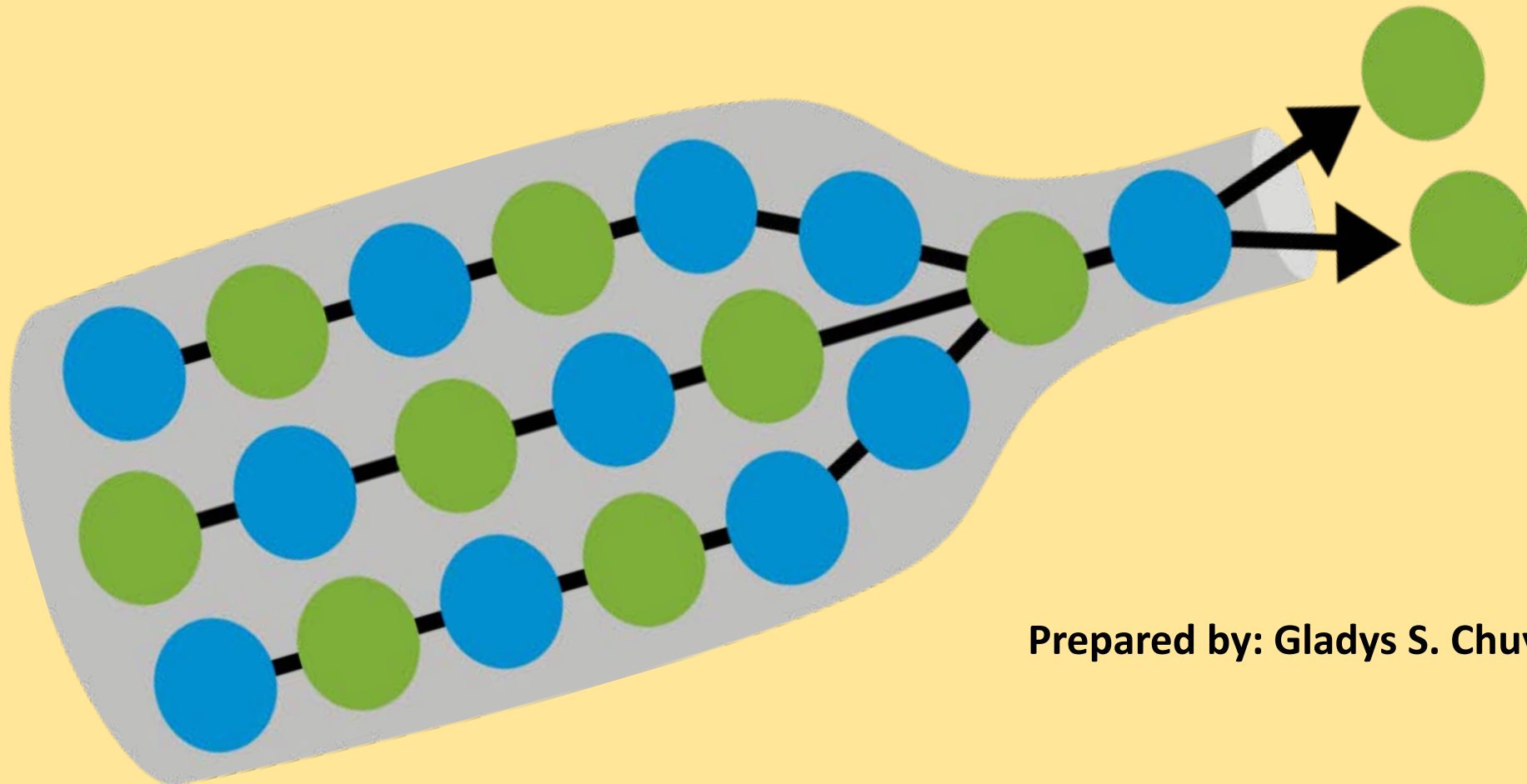


Narrowed Networks in the Healthcare Exchange

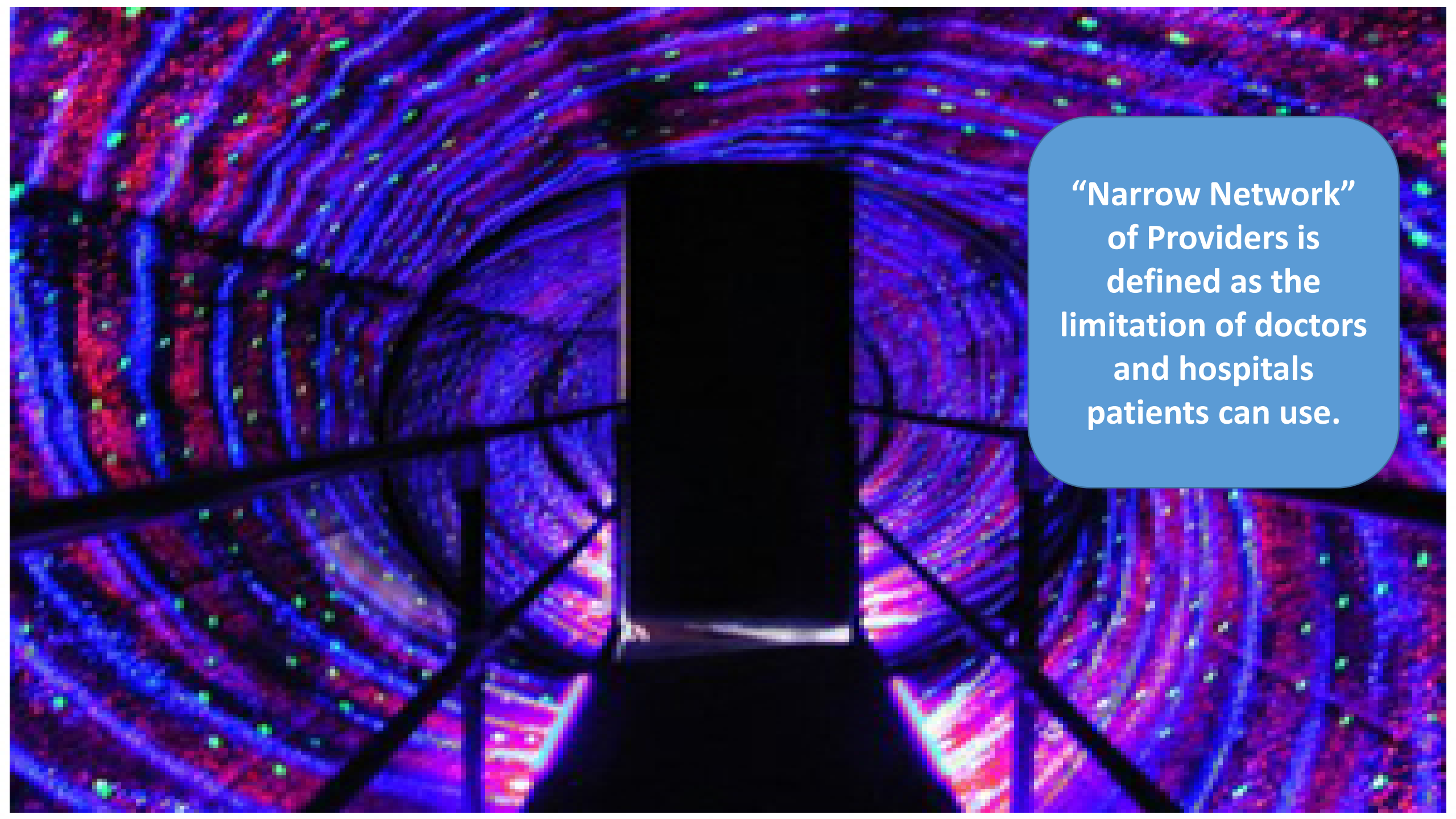


Prepared by: Gladys S. Chuy, MHA Candidate 2016

Overview



- I. Introduction and Background**
- II. Understanding Current State**
- III. What are the Main Issues**
- IV. Magnitude of the Problem**
 - a. Impact on the System**
 - b. Denial of Care for Plans on the exchange**
 - c. Providers/Hospitals dropped from plans**
- V. Recommendations**



**“Narrow Network”
of Providers is
defined as the
limitation of doctors
and hospitals
patients can use.**

Introduction

Narrowed provider networks offered through the healthcare exchange is a key **public health** and **policy** issue not addressed through this expansion of health insurance under the Affordable Care Act.

The issue rests on access for the **newly insured** specifically, **vulnerable patients with chronic conditions** under an already strained and fragile healthcare system, and what strategies can be employed to meet the new surge of patients.

Health Insurance Marketplace

- The essential health benefits package offered by QHPs must include specific coverage categories and certain cost share standards
- QHP must include benefits over the 10 categories: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care
- Provider networks must contain a sufficient number and type of providers to ensure services reasonably available without delay, including mental health and substance abuse

tumor
CANCER breast

symptoms
oncologist chemotherapy
management radiology
prostate malignant colon
cytotoxic cervical education

type 2 risk
insulin **DIABETES** pancreas type 1
sugar diet retinopathy

gangrene renal failure prevention
blindness hypertension amputation

HIGH BLOOD PRESSURE treatment specialist

systolic diastolic heart attack



BMI HEART DISEASE

“Can I keep my own doctor?”

The screenshot shows the HealthCare.gov website. At the top, there is a navigation bar with 'HealthCare.gov', 'Learn', 'Get Insurance', 'Log In', and 'Español'. Below this is a secondary navigation bar with 'Individuals & Families', 'Small Businesses', and 'All Topics'. A search bar is also present. The main content area features the heading 'Find health coverage that works for you' and a sub-heading '4 Ways Marketplace Coverage'. Below this, there is a message: 'Get quality coverage at a price you can afford. Open enrollment in the Health Insurance Marketplace continues until March 31, 2014.' There are two buttons: 'APPLY ONLINE' and 'APPLY BY PHONE'. Below these are four circular icons representing different ways to get coverage: a phone, a computer, a group of people, and a document. At the bottom of the main content area, there are links for 'SEE PLANS AND PRICES IN YOUR AREA' and 'SEE PLANS NOW'. Below this is a row of five links: 'Get covered: A one-page guide', 'Find out if you qualify for lower costs', 'See 4 ways you can apply for coverage', 'Get in-person help in your community', and 'Call 1-800-318-2596 for information'. At the very bottom, there is a footer with the Health Insurance Marketplace logo, a countdown timer '152 DAYS LEFT TO ENROLL', and a calendar showing 'OCT 1 Open Enrollment Begins', 'JAN 1 Coverage Can Begin', and 'MAR 31 Open Enrollment Closes'.

“Depending on the plan you choose in the Marketplace, you **MAY** be able to keep your current doctor. Depending on the type of policy you buy, care may be covered only when you get it from a network provider.”

“Obama promised that people who liked their doctor would be able to keep their doctor. But ultimately that will depend on whether their doctor is still available in their healthcare insurance network” (Marbury, 2013).

DECISIONS and MORE DECISIONS!

Health plan coverage?

Do I stay in network?

Provider Availability?

Pay More?

Pay Less?

Incur less out-of-pocket expenses?

Provider NOT in Insurer's Network!

Incur higher out-of-pocket expenses?

Accessing an out-of-network provider?

“No matter what kind of health plan consumers choose, they will find fewer doctors and hospitals in their network — or pay much more for the privilege of going to any provider they want.”



Reed Abelson

Source: New York Times

What are the Main Issues?

The narrowed network of physicians and hospitals specifically, in the healthcare exchanges, wielded by insurance companies has generated a schism between patient and physician.

This schism is entirely correlated to reduction in overall healthcare costs, reduced premiums and patient choice.

Prognosis
Jeopardized

Continuum of Care
Threatened

Inundating an
already Narrowed
Network

Limited or Removal
of Patient Choice

Payers decide which
Providers and
Hospitals

“Expansion of Coverage is Not an Expansion of Actual Care, and the distinction is becoming clear.”



Stephen Petterson

Source: The Annals of Family Medicine, 2012

Risk to Consumers: Patients

COST VS. CHOICE: INSURERS WIN, PATIENTS LOSE!

- **Narrow networks with lower premiums, worse benefits**
- **Patients lose continuity of care at affordable costs**
- **Leading hospitals often out-of-network**
- **Insurers profit by gaining enrollees with lower-cost physicians and hospitals.**

Risk to Consumers: Patients

Cost or Choice?

- All plans must meet new coverage standards under healthcare reform so differentiation will be on network price and quality
- Consumers will likely find premiums most important factor in choosing QHP
- Provider-owned health insurance plans can set their own prices while typical insurers will have to negotiate new rates or live within existing commercial rates
- Provider-owned health insurance plans will not face barriers that inhibit new entrants into commercial insurance market

Malleability In Preference For Broad Vs. Narrow Network Plans

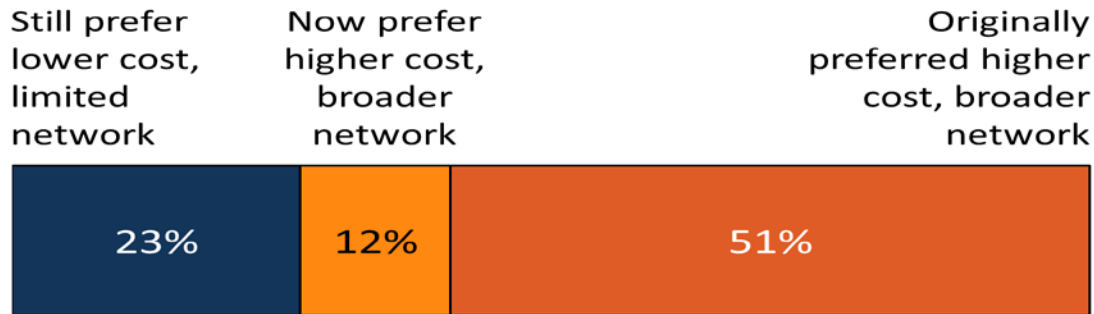
Which type of health insurance plan would you rather have?

■ A plan that costs less money but has a more limited range of doctors and hospitals you are allowed to see

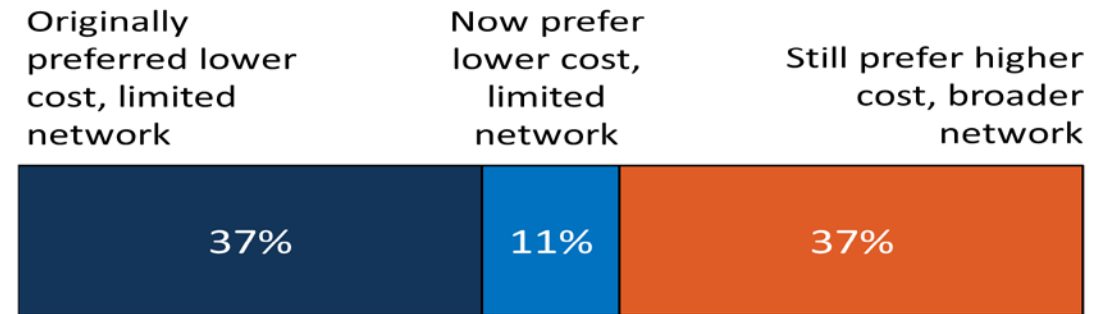
■ A plan that costs more money but allows you to see a broader range of doctors and hospitals



ASKED OF THOSE WHO PREFER LOWER COSTS, NARROW NETWORK: What if that meant that you would not be able to visit the doctors and hospitals you usually use? Would you still prefer a plan that costs less but has a more limited range of doctors and hospitals, or would you now prefer a plan that costs more but includes a broader range of doctors and hospitals?



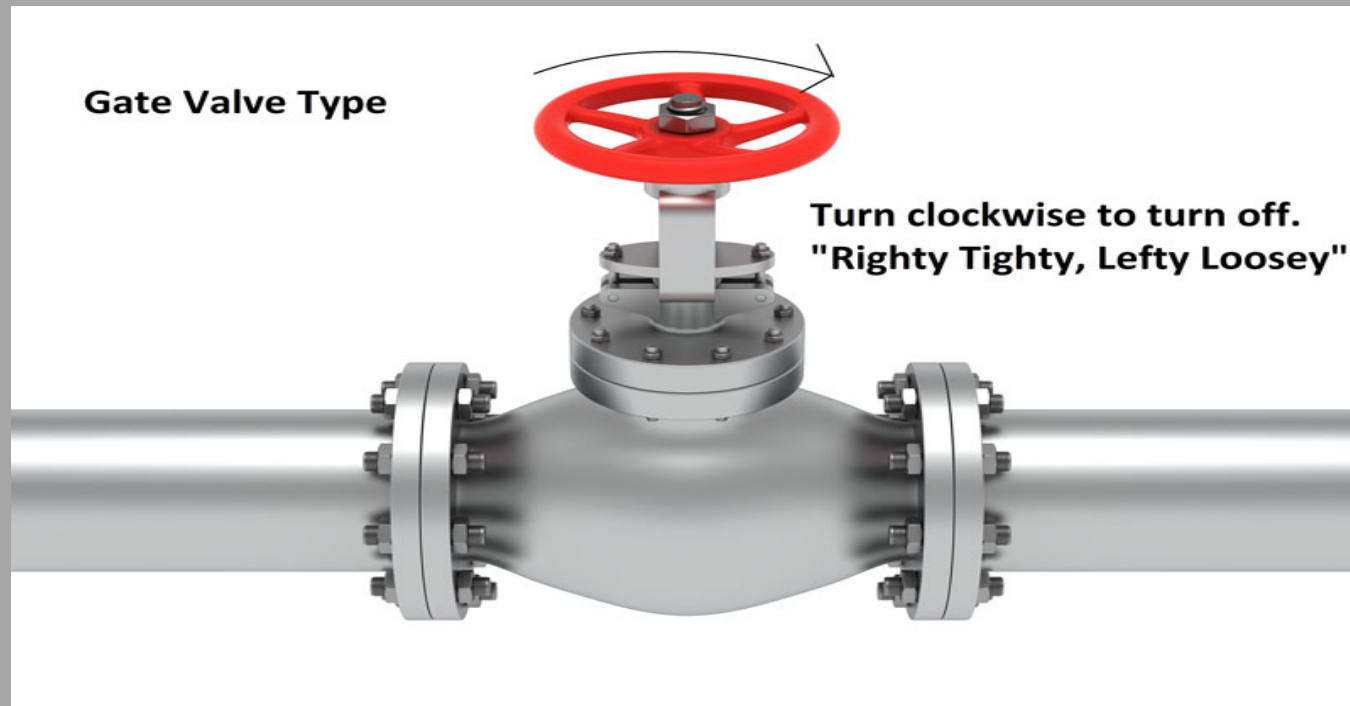
ASKED OF THOSE WHO PREFER HIGHER COST, BROAD NETWORK: What if you could save roughly 25% on your health care costs by using a plan with a more limited range of providers? Would you still prefer a plan that costs more but includes a broader range of doctors and hospitals, or would you now prefer a plan that costs less but has a narrower range of doctors and hospitals?



NOTE: Don't know/Refused answers not shown.

SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted February 11-17, 2014)

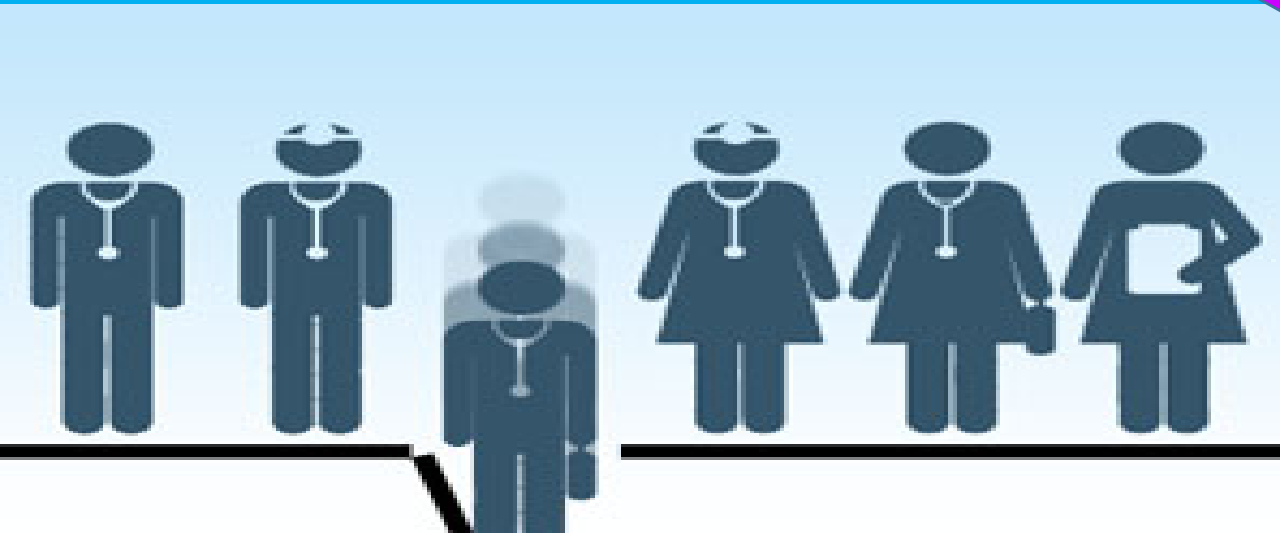
Current Provider Shortage Coupled with Payer Selection



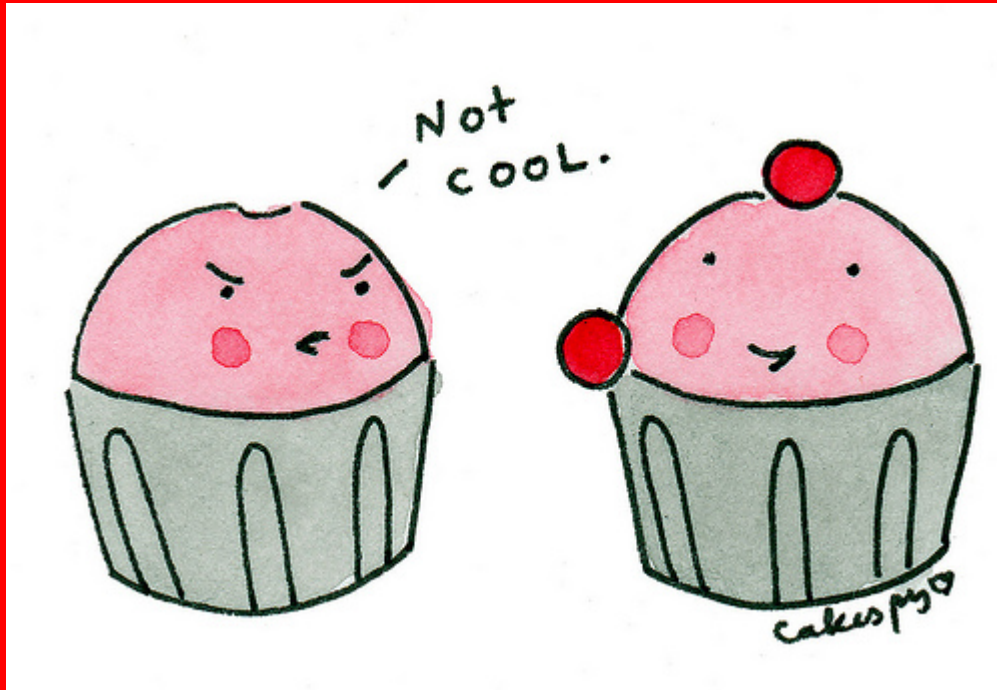
Providers and Hospitals Dropped by Plans

“It needs to be transparent to patients and doctors so the healthcare community can help determine standards.”

American Medical
Association



Cherry Picking



Hospitals ARE Denying Plans Offered Through Healthcare Exchange!

Local and National Impact on Patients



What happens to the patients with multiple chronic conditions?

**Prognosis
Jeopardized**

**Continuum of Care
Threatened**

Recommendations:

1

Creating network adequacy standards

2

Continuously monitoring network adequacy

Examples of Quantitative Standards for Network Adequacy

Provider-to-enrollee ratios

Maximum travel time

Maximum travel distance

Maximum appointment wait times

Minimum number of providers accepting new patients

Minimum percentage of available providers within a service area

Recommendations (Continued):

4

Developing enhanced requirements for the inclusion of essential community providers such as federally qualified health centers (FQHCs), Ryan White HIV/AIDS providers, and safety-net hospitals.

5

Prompt and Transparent info to consumers and providers in inclusion or exclusion of plan

6

Cost and Quality Metrics Transparent on MNSure's Portal



Thank you!