

New Report on States' Oversight of Health Plan Network Adequacy

Published: Wednesday, 19 November 2014 10:54

Written by: Sara Gunderson



The [consumer representatives](#) to the National Association of Insurance Commissioner released a [report](#) on state approaches to regulating and monitoring the adequacy of health plan provider networks. The report, made possible thanks to a generous grant from the [Robert Wood Johnson Foundation](#), summarizes the results of a survey sent to Departments of Insurance (DOIs) in all 50 states, as well as Puerto Rico and the District of Columbia. Of those, 38 DOIs completed the surveys. The 38 states responding represent widely varying demographics, geographies, and health insurance market dynamics.

The bottom line? State regulation of network adequacy has a long way to go to protect consumers and ensure they have appropriate access to care. Below are highlights from the survey responses:

- Most states have not adopted the NAIC's [Managed Care Plan Network Adequacy Model Act](#).

New Report on States' Oversight of Health Plan Network Adequacy

Published: Wednesday, 19 November 2014 10:54

Written by: Sara Gunderson

- Most states monitor network adequacy primarily or only through consumer complaints. Unfortunately, this is an inadequate source of data because many consumers do not know they should communicate complaints to their state DOI (and most probably don't know they have a DOI).
- While most states agree consumers need better information about plan networks and the risks and costs associated with out-of-network care, they report struggling to provide consumer-friendly resources on network issues.
- Just over one-third of states have requirements that PPOs update their provider directories on a regular basis.
- Overall, states have more regulatory authority over HMOs than they do over PPOs. They have even less authority over newer managed care products, such as "Exclusive Provider Organizations" or EPOs.
- Less than one-half of states have limits on [balance billing](#).
- States rarely take enforcement actions against plans for problems related to network adequacy.

In light of these survey results, and the NAIC's ongoing effort to revise its model act on network adequacy, the consumer representatives include in the report a set of recommendations for improved oversight, such as:

- Expand the scope of network adequacy regulations to encompass all types of network plans, including HMOs, PPOs, EPOs, Point of Service (POS) plans, and those using multi-tiered provider networks. Network adequacy regulations should also be flexible enough to accommodate new and emerging types of network formulations, such as Accountable Care Organizations (ACOs).
- Establish quantitative, state-developed standards for meaningful, reasonable access to care.
- Require insurers to submit access plans to DOIs for approval, to ensure that consumers are protected from network deficiencies.
- Ensure consumers have sufficient information to identify and select among broad, narrow, or ultra-narrow networks.
- Require all plans, not just [Qualified Health Plans](#) (QHPs) to include access to [Essential Community Providers](#).
- Require that consumers be protected from balance billing in emergency situations and when receiving services from non-network facility-based providers in an in-network facility.
- Require health plan directories to be updated regularly and publicly available.

New Report on States' Oversight of Health Plan Network Adequacy

Published: Wednesday, 19 November 2014 10:54

Written by: Sara Gunderson

- Create special enrollment opportunities for consumers to move to a new plan if they rely on incorrect information published in the plan's provider directory, their primary care provider becomes a non-participating provider, or a covered person in the midst of a course of treatment loses access to their specialty care provider or facility.
- Adopt standardized reporting requirements to monitor the frequency of use of out-of-network services.

[Ensuring Consumers' Access to Care: Network Adequacy State Insurance Survey Findings and Recommendations for Regulatory Reforms in a Changing Insurance Market](#)