

Network Adequacy: Balancing Cost and Access

New Hampshire Insurance Department
February 10, 2014



New Hampshire Insurance Department Network Adequacy Hearing

- Insurance Department Presentation
 - Welcome and hearing procedures
 - New Hampshire network adequacy standards
 - Policy considerations
- Public Comment
- Q & A
- Frisbie Hospital Presentation



Your Presenters

- Roger Sevigny – Commissioner
- Alex Feldvebel – Deputy Commissioner
- Jennifer Patterson – Life and Health Legal Counsel
- Michael Wilkey – Director of Compliance
- Tyler Brannen – Health Policy Analyst

NH Insurance Department

(603) 271-2261

Consumer Hotline: 800-852-3416

<http://www.nh.gov/insurance>



The History of Network Adequacy in New Hampshire



NH's Managed Care Law

- Went into effect in 1998.
- Section 7 addresses network adequacy.
- It sets a basic access standard and requires the insurance commissioner to adopt rules that flesh out the details.
- It also states that a health carrier must keep at its place of business a network adequacy compliance report and annually submit a certification of compliance to the Insurance Department



Statutory Standard for Network Adequacy

- RSA 420-J:7 - Network Adequacy

A health carrier **shall maintain a network** that is **sufficient in numbers, types, and geographic location of providers** to ensure that **all services** to covered persons will be **accessible without unreasonable delay**.



Administrative Rules

The Department's regulation must address:

- Waiting times for non-emergency care.
- Access to providers for specialty care, specifically addressing the needs of the chronically ill, mentally ill, developmentally disabled or those with a life threatening illness.
- Standards for geographic accessibility
- Hours of operation for the carrier, including entities performing prior approval functions.



Working Group

- The Department's network adequacy regulation was developed with a working group in 2001.
- The group included consumer representatives, hospitals, community clinics, physicians, nurses, and mental health providers, as well as all the major health carriers.



Network Adequacy Rules – Ins 2701



Rules – Basic Access

Basic Access Requirement: Ins 2701.04

- Network of primary care providers, specialists, institutional providers, and other health care personnel that is **sufficient in numbers, types and geographic location** of providers to ensure that **all covered health care services are accessible** to covered persons **without unreasonable delay**.

Objective Standard: Network sufficient to meet the basic access requirement if it meets the standards in the rules.



Rules - Geographic Access

Geographic Accessibility Requirement

Ins 2701.06

- Standards measured in distance or travel time
- Must meet for 90% of covered persons in particular geographic area
- PCPs – 2 within 15 m. or 40 min.
- Specialists – varies by specialty
- Exceptions
 - Insufficient # of providers in that area
 - Must still mitigate impacts to covered persons



Rules - Other Requirements

- **Reporting requirement:** Ins 2701.09
 - Report due each March for each plan
 - Carrier must certify that meets standards
 - Based on actual enrolled population
- **Waiting times:** Ins 2701.07
 - must meet NCQA standards - not designed for prior review

These sections are designed to be used once policies are in effect, so there are covered consumers whose experience can be considered.



Not in Rules

Rules do not require

- Contracting with any particular provider
- That any particular patient have access to any particular provider

Intent is to allow carriers to compete on the basis of their networks, if minimum standards are met.



Review of Marketplace Plans



The ACA and the NH Marketplace

- Marketplace – operated by federal government in New Hampshire
 - Consumers buy plans offered by private carriers
 - Income-eligible consumers get subsidies, but only if use Marketplace
- Partnership – Department role is to recommend certification, not give final approval
 - RSA 420-N: take all comers, if meet standards
 - Carriers to decide whether to offer plans
 - No mechanism to force carriers to participate



Timeframes

Timeframes for 2014 Marketplace plans

(April 10, 2013 Department Bulletin)

- June 1, 2013 - carriers submit plans to Department
- July 31, 2013 - Department submits recommendations to federal agency (CCIIO)
- September 2013 - CCIIO decides which plans to certify for sale on Marketplace.
- October 1, 2013 - Marketplace open to public to enroll, view plan details
 - Confidential prior to 10/1 (Ins 4101.05(h))



ACA and Network Adequacy

For Marketplace plans, Department's network adequacy review focused on **geographic accessibility** (Ins 2701.06).

- ACA network adequacy language similar to NH language, so state standard used
- Big change: Network adequacy review would be conducted up front, not just after-the-fact through market conduct.
- Consequences of this change:
 - No actual consumers in plans – had to estimate using current membership
 - No consumers to survey for wait times, etc.



The Approach taken in NH Statute and Rules Compared to the ACA

- Many of the NH standards are intended to be applied retrospectively—that is, after the network is in place and in use.
- Examples of this are surveys of consumer satisfaction and of appointment waiting times.
- Under the ACA, when a carrier applies to offer a Qualified Health Plan in the NH Marketplace, the Insurance Department's review of network adequacy must be prospective.
- This means that only prospective standards can be used for initial QHP certification.



Form/Rate Review versus Market Conduct Review

- **Form/Rate review** - up front, before policies take effect
 - clarity, readability, all required provisions included
 - rates – neither excessive nor insufficient
- Department role: **disapprove** if standard not met

- **Market conduct** – once policies take effect, look at how company is treating consumers
 - reporting requirements, exams
- Department role: **order compliance** if standard not met

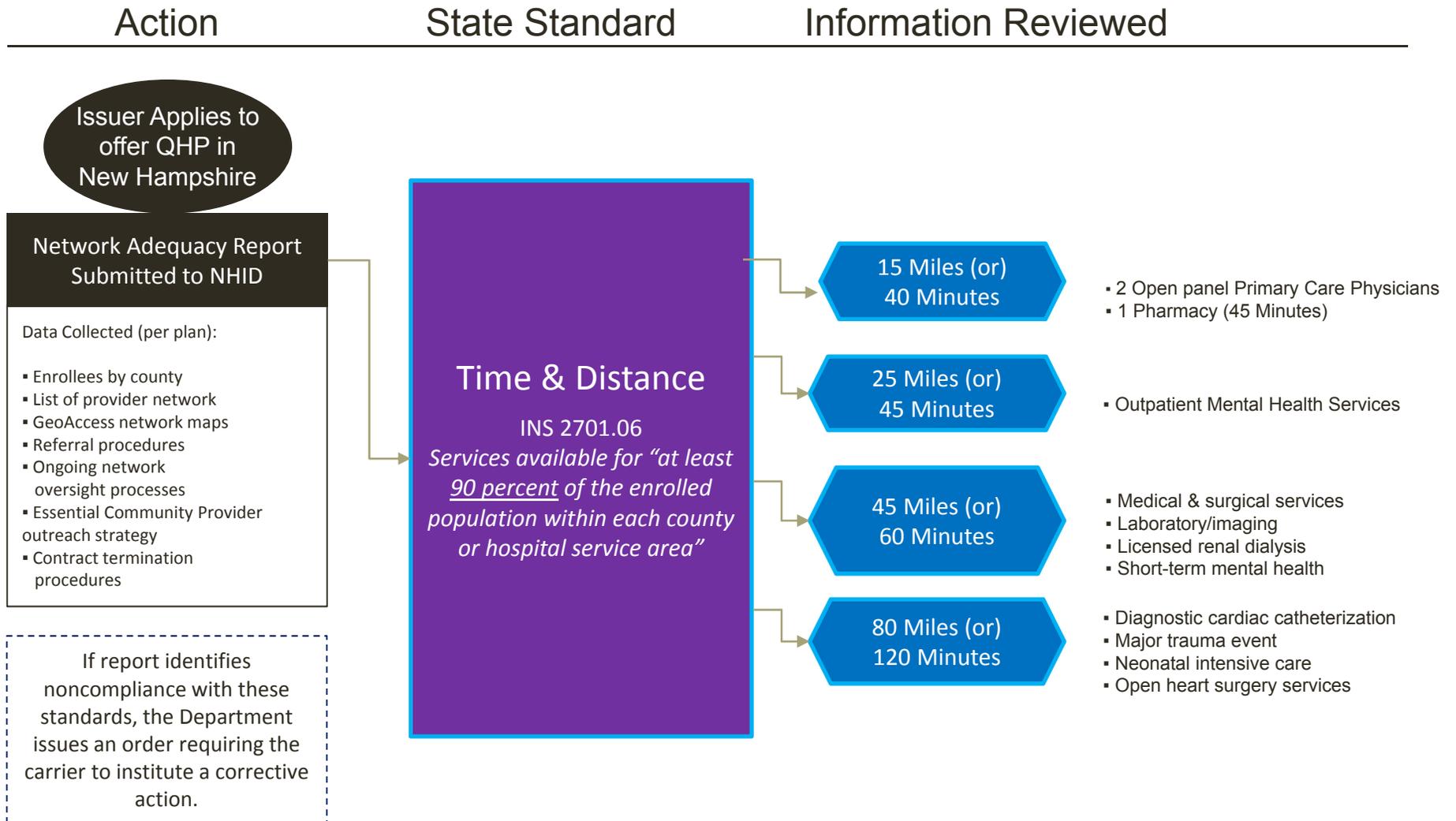


Network Adequacy Review Process



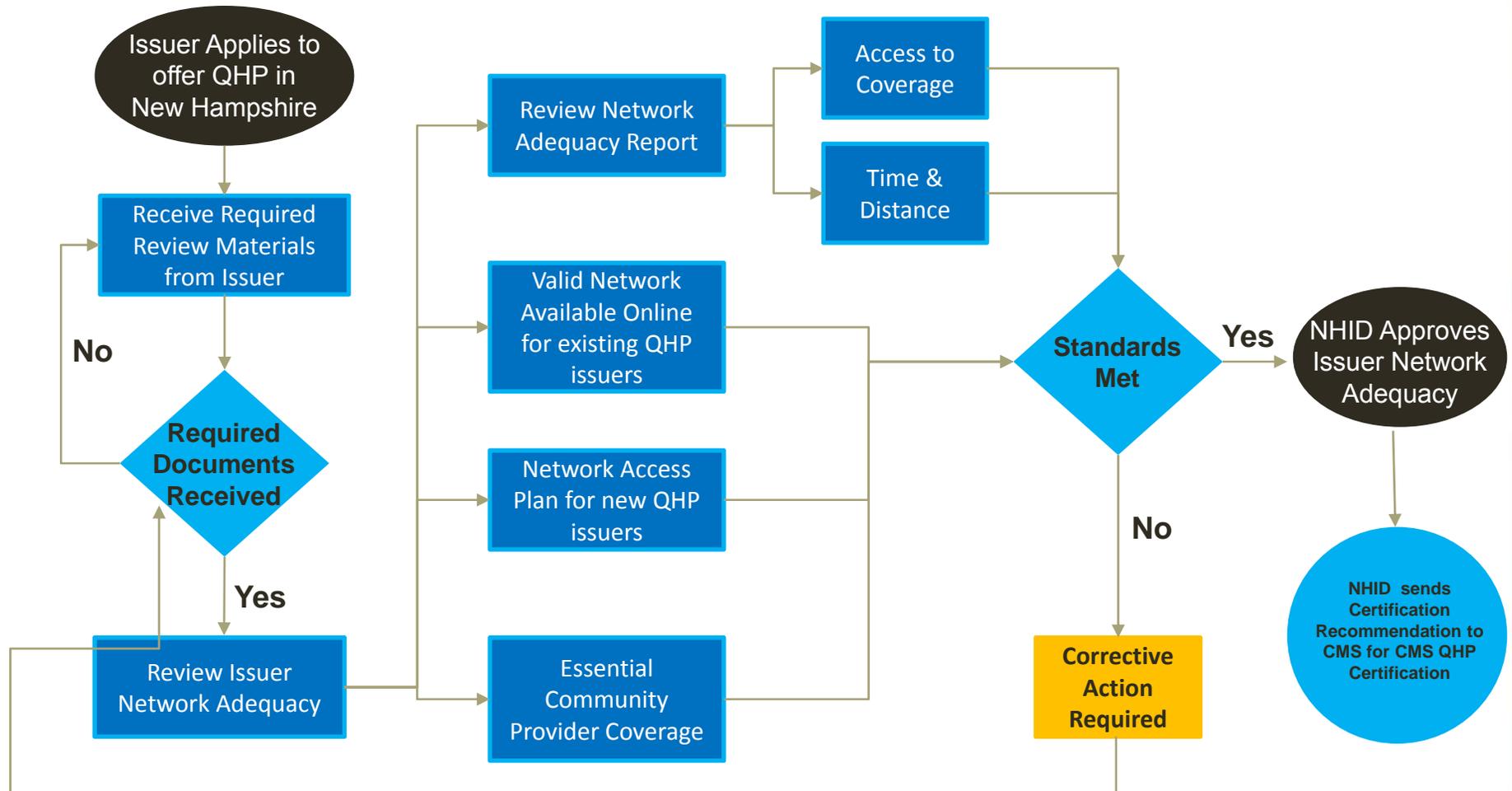
Network Adequacy Review Process

State process for review of Qualified Health Plans under NH INS 2701



Network Adequacy Review Process

NHID process for Network Adequacy review of Qualified Health Plans



Policy Issues: Balancing Cost and Access

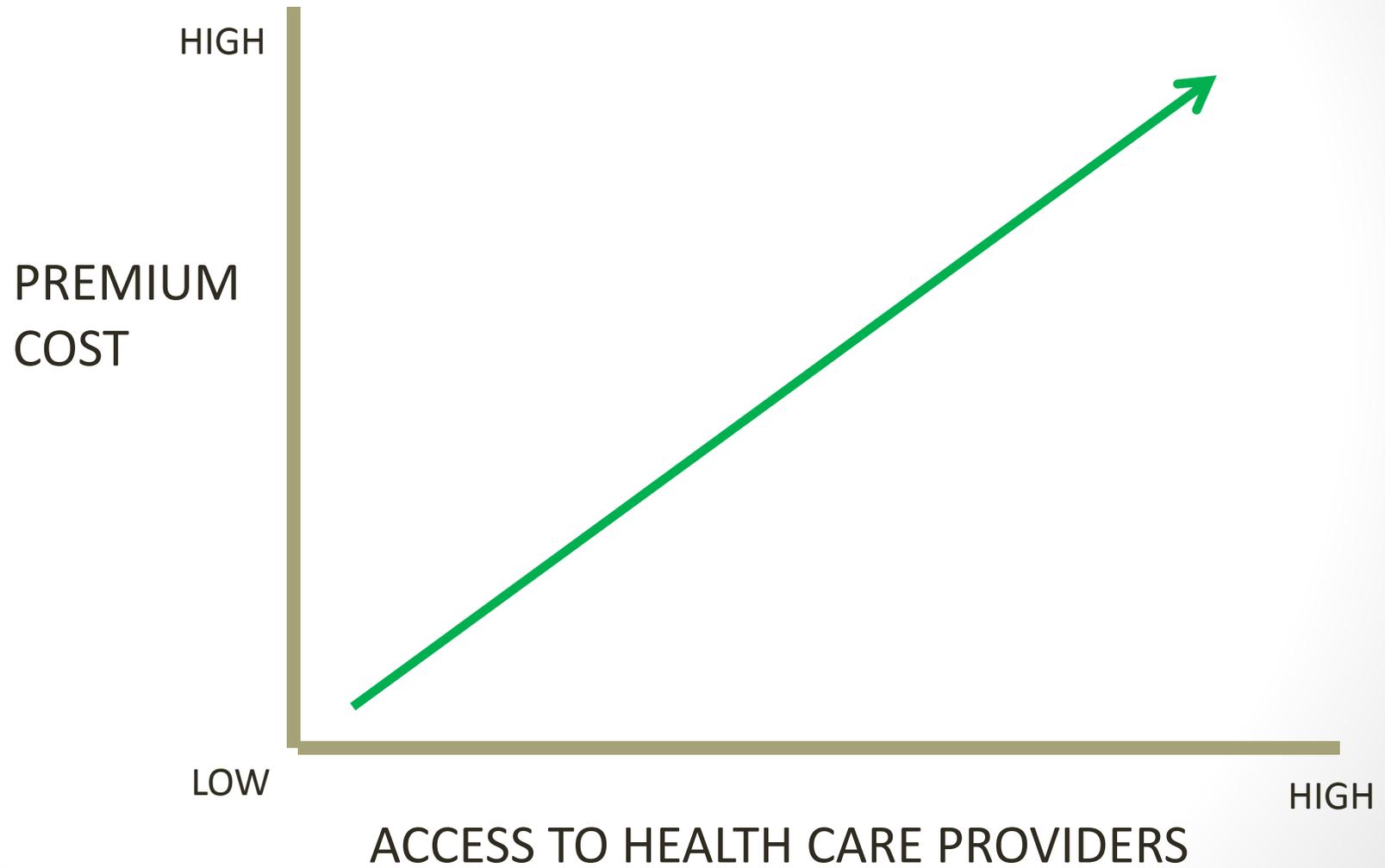


Adequate Network

- **420-J:7-I.** A health carrier shall maintain a network that is sufficient in numbers, types, and geographic location of providers to ensure that all services to covered persons will be accessible without unreasonable delay.



COST VS. ACCESS



Balancing Costs vs. Consumer Preferences

- Influence through competition
 - Consumer chooses “best” health insurance company/product
- Control through government regulation
 - Legislature acts as the decision maker
 - NH Insurance Department implements requirements
 - Department’s authority is limited



Network Adequacy Considerations

- Balance of cost, access, and quality
 - Develop **objective standards**
 - Encourage **insurance company competition**
 - Let people buy what they want
 - Recognize that **consumer preferences vary**
 - Identify how the **health care system is evolving**
 - Movement of traditional “hospital” services
 - Specialized health care at Centers of Excellence
 - Primary care from Nurse Practitioners and walk-in clinics
 - Telemedicine



Additional Network Considerations

Reasonable travel expectations for a commercially insured population

- May differ for senior citizens
- Population distribution, density, and demographics
- Health care provider supply and capacity to add patients
 - Travel times
 - Ratio of providers to patients (open panel?)
 - Length of time before appointment?
- Mix of health care providers
 - Doctors, NPs, hospitals, urgent care centers, ambulatory surgery centers



Next Steps: Working Group and Rule Revision



Public Comment

If you wish to speak,
please submit a card.



Q & A

Please write your question
it on a card and submit it.



Frisbie Hospital Presentation

