



# New Hampshire Insurance Department



Network Adequacy  
Working Group



Public Comments and  
Responses

July 10, 2015

# Agenda

- Project overview and status
- Response to feedback received from 6/5 meeting
- Compass updates on service categorization
- Topics for work group discussion/comments requested
- Wrap up & next steps

# The Problem

- **Comment:** It would be most helpful if the Department clearly articulated the specific problem(s) it seeks to address
- **NHID Response:** The high cost of health insurance is the problem. The goal is to increase competition among providers and carriers resulting in lower costs, and simultaneously improve patient access and consumer choice.

# NAIC Network Adequacy Model Law

- **Comment:** New Hampshire is urged to defer to the general format of the NAIC Model, while adding carefully crafted provisions tailored to address those challenges that may be unique to New Hampshire, e.g., member access in rural areas.
- **NHID Response:** The NAIC model law does not conflict with the NH statute and is general enough to be implemented throughout the country. The revised NH network model rules are consistent with the NH statute and will reflect to the unique characteristics of New Hampshire.

# NAIC NA Model Law Provisions

- **Comment:** Part B (NAIC) provides the following list of criteria (albeit, nonexclusive) that might reasonably be employed to determine whether a network is “sufficient” as contemplated in Part A:
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  - (1) Provider-covered person ratios by specialty;
  - (2) Primary care provider-covered person ratios;
  - (3) Geographic accessibility;
  - (4) Geographic population dispersion;
  - (5) Waiting times for visits with participating providers;
  - (6) Hours of operation;
  - (7) New health care service delivery system options, such as telemedicine or telehealth; and
  - (8) The volume of technological and specialty services available to serve the needs of covered persons requiring technologically advanced or specialty care.
- **NHID Response:** Sections 3 and 4 should be addressed adequately using the NHID model presented. Are there additional criteria listed that need additional consideration?

# Provider Directories

- **Comment:** Beyond continuing work on the measures of adequacy under whatever framework, there is also important work to be done on important consumer issues addressed by the NAIC Model: provider directories and disclosures.
- **NHID Response:** Important work, but should it be combined with network adequacy requirements?

# Classification of Services and HSAs

- **Comment:** it appears that future measurement of network adequacy will be based upon how a network accommodates a hierarchical classification of medical/behavioral health services. Hospital Service Areas (HSAs) gain new importance as it appears that “core” services, and perhaps “common” services, will need to be available for the member within the member’s HSA.
- **NHID Response:** HSAs are used to assist in the classification of communities only. Only core services are required within the member’s HSA. Services provided by hospitals exclusively are not core.

# Hospital Employment of Providers

- **Comment:** NH is a very consolidated market. The approach would appear to require carriers to include the “core services” in each HSA, which due to the percentage of PCP and SCP ownership, would necessarily result in having to contract with every hospital as it seems unlikely that hospitals in NH will agree only to contract with carriers for “core services” and not requires that all services be contracted.
- **NHID Response:** Carriers will not always fail to meet network adequacy standards if a hospital refuses to contract for primary care services. Please note that carriers contract with a hospital for some products while excluding the hospital for other products when developing a narrow network.

# Identification of Services

- **Comment:** How will you define “core services”- will this be done at the code level? If so how will be do this for services billed on a UB-04 claim form given claims are billed using revenue codes.
- **NHID Response:** The NHID will identify services using the NHCHIS and the procedure code, but the CPT code will not be specified in the rules. Inpatient services can be evaluated using DRGs.

# Core Services and Member Education

- **Comment:** If carriers are able to negotiate with hospitals to only contract for the core services, how will we educate consumers that only certain services are in network for certain providers?
- **NHID Response:** The NHID would not encourage carriers to contract with a (e.g. primary care) provider for just a list of core services.

# HSA and Hospital Collaboration

- **Comment:** The HSA model would inhibit collaboration between hospitals... Under the current standards, hospitals can more easily engage in a relationship with another nearby hospital to offer a distinct set of services. (For example, two hospitals could agree that one hospital would provide all pediatric services, while the other would provide all Ob/Gyn services).
- **NHID Response:** Unclear why communities defined by HSAs would inhibit hospital collaboration. The example given may violate anti-trust laws (market allocation schemes).

# Differing Standards

- **Comment:** (Moving away from) travel time and distance requirements will create a heavy administrative burden for health plans due to the widespread use of travel time and distance as the universally accepted measures of network adequacy by accrediting entities such as the National Committee for Quality Assurance (NCQA).
- **NHID Response:** Time and distance are implicit in the new model. Ideally, network adequacy standards will provide a regulatory minimum for a network and accreditation by NCQA a higher standard. In order for this outcome to exist, a carrier would need to consider two standards.

# Consumer Harm and Confusion

- **Comment:** The NHID's proposed HSA standard presents a potential harm to the consumer. Carriers have to adhere to separate state requirements that in no way reflect the standards that generated a quality rating or accreditation (and may result in confusion for the consumer).
- **NHID Response:** The community/HSA based approach implicitly considers time and distance, but does not utilize the same time/distance standard throughout the state. It's unclear why the change would harm a consumer or specific knowledge of the network adequacy standard would help a consumer.

# Hospital Market Power

- **Comment:** The potential for HSAs to inflate the market power of certain hospitals is an important area of concern.
- **NHID Response:** Since most hospitals reside in population centers, it's unclear why defining communities by HSAs will increase the market power of hospitals. Services only available in a hospital will not be considered core.

# Priority of Convenience

- **Comment:** Although urban young professionals may indeed expect convenience, the assumption by regulators that this population will expect convenience above all other considerations is limiting for the consumer.
- **NHID Response:** The basis for the NA standard is reasonable access to services, and the NHID is considering low income populations with limited transportation options as well as urban young professionals.

# Out of Network Benefits

- **Comment:** We are hoping to better understand NHID's vision regarding out-of-network requirements.
- **NHID Response:** Network adequacy rules should remain as distinct as possible from benefit coverage determinations. The NHID seeks to ensure member protections, including holding the member harmless in special cases when the NA requirement is not met:
  - Major change in the provider network due to a contract termination
  - Non-contracting anesthesiologist, pathologist, radiologist during surgery

# Compass Update

# Topics for work group discussion/Comments Requested:

- Exception handling:
  - No local providers available to meet a requirement
  - Only one provider who meets a requirement (monopoly)
  - Providers exist but will not accept a contract rate
  - Contract disputes
  - Essential Community Providers (ECPs)
- Carrier knowledge and attestation
  - Carrier verification of available provider services
  - Carrier evaluation of access and appointment times
- Exception handling vs. prohibition on marketing

# FEEDBACK

- **Next Meeting:** August 14, 2015
- **Send your feedback.** Please email comments to [Danielle.Barrick@ins.nh.gov](mailto:Danielle.Barrick@ins.nh.gov) by July 24.