

# Narrow Provider Networks Need More Work, ACP Says

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The Affordable Care Act (ACA) has dramatically expanded access to health insurance coverage, but overly narrow provider networks assembled by insurers limit patient access to clinicians, the American College of Physicians (ACP) said today in its annual report on the state of the nation's healthcare.

The society representing internal medicine practitioners proposed an extensive list of provider-network reforms that would affect not only federally qualified health plans (QHPs) offered through state marketplaces, or exchanges, under the ACA, but also those in the Medicare Advantage program. Some Medicare Advantage plans across the country have beendropping physicians from their networks without telling them the reason.

Health insurers justify narrow provider networks as their attempt to contract with only high-quality, low-cost physicians. The ACP acknowledged that "if organized correctly," provider networks can improve care coordination and connect patients with top physicians. However, the society pointed to examples of how narrow networks in ACA exchange plans have hurt patient care.

- The network for an ACA exchange plan in San Diego, California, lists only 204 primary care physicians, one third the number that the insurer offers in the network for its employer-based health plan.
- The state of Washington rejected an insurer's ACA plan that would have "forced enrollees to travel over 120 miles to see a gastroenterologist." Insurance regulators in Maine, Wisconsin, and other states also have stopped insurers from offering "narrow network plans."
- One New Hampshire hospital found itself excluded from a narrow network even though it charged less than its competitors and earned high grades for quality of care. It complained that the selection process was opaque.

In its report today, the ACP proposed reforms that it also relayed in letters to the National Association of Insurance Commissioners, America's Health Insurance Plans, the Blue Cross and Blue Shield Association, and Kathleen Sebelius, secretary of the US Department of Health &

Human Services. The group called on the Centers for Medicare & Medicaid Services and state regulators to revise standards for assessing "network adequacy" in QHPs by including such factors as patient-to-physician ratios and the use of out-of-network providers. In addition, the ability of a provider network to serve plan enrollees must be continuously monitored.

Health plans should not select providers solely on the basis of cost, and the criteria used should reflect national quality standards, and be made public, according to the ACP. Likewise, when health plans drop physicians from their networks, they should state the reasons why.

The medical society also prescribed reforms for drug formularies established by QHPs. "Many plans are imposing highly restrictive pharmacy formularies that make it difficult for patients to get the medicines that work best for them," said ACP President Molly Cooke in a news briefing today.

Federal and state regulators must monitor QHP formularies and other plan benefits to ensure that they do not discriminate against patients with complex medical problems such as cancer, HIV/AIDS, and hepatitis C, according to the ACP. And when a QHP declares a drug off-formulary for a patient who requests it, the plan should allow the patient to receive it while the decision is under appeal.

### **Extend Medicaid-Medicare Pay Parity, ACP Urges**

QHPs available through state exchanges represent one way in which the ACA extends coverage to more Americans. The other way is expanding Medicaid eligibility by raising the income threshold. So far, 25 states and Washington, DC, have taken that step, receiving promised federal funds to pay the tab for new enrollees. The ACP today urged the holdout states to follow suit.

"We renew our call on all states to do the right thing for their poorest residents by accepting federal dollars to expand the program," said Dr. Cooke.

To ensure that Medicaid enrollees can find physicians willing to treat them, the ACP asked Congress to extend a Medicaid pay raise authorized by the ACA. The law increased Medicaid rates for evaluation and management (E/M) services and vaccination administration rendered by primary care physicians to Medicare levels in 2013 and 2014. The ACP wants to keep it going in 2015 and beyond.

When it came to Medicare reimbursement, the ACP stuck to the script of organized medicine. Like the American Medical Association and other societies, it recommended that Congress pass a new bipartisan bill that would repeal the sustainable growth rate (SGR) formula that Medicare

uses to set physician compensation. The measure would replace the SGR with a scheme that shifts reimbursement from fee-for-service to pay-for-performance.

The ACP's report on the state of the nation's healthcare is available on the group's [Web site](#).