AMERICAN
ASSOCIATION
OF PAYERS,
ADMINISTRATORS
AND NETWORKS

AAPAN

Public Policy Position: Network Adequacy

The American Association of Payers, Administrators and Networks (AAPAN) is a national association that represents organizations in the individual group and government health, and workers' compensation markets. AAPAN is the active voice advocating for patient access to appropriate quality health care in these respective markets, and provides a unifying, collaborative forum for member organizations to work in common cause on initiatives for improving healthcare at the federal and state levels.

Background

Network adequacy refers to a health plan's ability to deliver the benefits promised by providing reasonable access to a sufficient number of in-network primary care and specialty physicians, as well as all health care services included under the terms of the contract.

The federal Affordable Care Act (ACA) included many reforms intended to make quality health care more affordable and accessible. In addition, ACA requires that health plans participating as qualified health plans in the Marketplaces (also known as "Exchanges") meet network adequacy standards. These includes ensuring consumers have access to needed care without unreasonable delay. [1]

AAPAN Position:

- Rental Networks are a valuable way to address network adequacy shortfalls
- Third-party accreditation is a valuable tool for state regulators to measure network adequacy
- Specialty networks, particularly those that can be stand-alone (vision and dental), should have separate standards (or should be separately treated)
- States should consider telehealth as a valuable way to address network adequacy, especially for rural areas, but not require a vendor relationship
- In areas where one contract controls more than 50 percent of a market, there needs to be some consideration for not including all hospitals to achieve network adequacy or completion standards need to be less rigid

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[1] National Association of Insurance Commissioners:
http://www.naic.org/cipr_topics/topic_network_adequacy.htm

- Network adequacy standards should require only the least amount of data in order for healthcare patients to make informed decisions. States mandating large amounts of irrelevant data is an administrative burden for providers and drives up healthcare costs.
- States should allow for providers that have the same tax ID or NPI at multiple address locations in evaluating network adequacy instead of allowing for only one address
- State insurance departments should work with organizations that collect credentialing data for delegated and non-delegated arrangements to ensure that OIC requirements are covered by the data collected

[NOTE: Current legislation also tends to include the following "Narrow Network" issues. Following are AAPAN positions for each additional policy issue.

Balance Billing:
- States should consider specific benchmarks for reimbursement to provide an incentive for specific (facility-based) provider groups to make reasonable network accommodations
- States should have a dispute-resolution plan to address situations when a provider and a network disagree on what a fair reimbursement is. "Baseball-style" binding arbitration is the preferred approach.

Directory Requirement:
- Providers should have skin in the game: Providers are the primary source of information about their practices and should be responsible in part for its provision to networks.
- Provider "groups" should not have duplicative requirements
- Publically available information should not be required for re-publication in directories
- Network online directories should be "linkable" without specific branding requirements
- Specialty networks should have separate requirements to account for their roles. Facility based, emergency, or pregnancy related care requirements should not apply to specialty and limited benefit plans that relate to routine care or to care from a limited set of providers.

Provider Contracting:
- Network rental is essential for adequate networks
- Network policies cannot be made "material changes"