Network Adequacy Working Group Preliminary Recommendations for DC Health Benefit Exchange Authority

February 20, 2013

The Affordable Care Act (ACA) requires that all exchanges develop a process to ensure that carrier's qualified health plans meet the following network adequacy requirements for policies that become effective on January 1, 2014. For network adequacy as reported in the DC HBX Background Paper, the ACA requires that carrier must:

1. Have a network for each plan with sufficient number and types of providers to ensure that all services are accessible without unreasonable delay.
2. Have a network that must include providers which specialize in mental health and substance abuse services.
3. Have a network with sufficient geographic distribution of providers for each plan.
4. Have sufficient number and geographic distribution of essential community providers, where available, to ensure reasonable and timely access to a broad range of such providers for low-income, medically underserved individuals in the service area.
5. Make its provider directory available to the Exchange for publication online in accordance with guidance from the Exchange and to potential enrollees in hard copy upon request. This directory must identify providers that are not accepting new patients.

The ACA allows an exchange discretion and flexibility on how to certify that these requirements are met. The operational capacity to develop and implement standards to meet these requirements within a limited timeframe should be considered in determining how an exchange will verify that these requirements are met. States generally have been following three basic approaches for verifying these requirements:

1. The exchange verifies directly through collection or data to verify that ACA and additional standards promulgated by the exchange are met
2. The exchange accepts verification by a carrier that requirements have been met through attestation.
3. The exchange uses a combination of attestation, reliance on accreditation entity, and direct collection of data to verify that requirements are met

In the first year we proposed that the DC HBX ask carriers to attest that they meet the five ACA requirements.

Given that a state based exchange has the opportunity to establish standards for what constitutes a sufficient number and types of providers to meet its own market dynamics and ensure consumer protection, the Working Group recommends that the DC Health Benefit Exchange (HBX) take a phased approach for implementing network adequacy requirements. This phased approach for assessing and monitoring the network adequacy of the qualified health plans (QHPs) that will participate in the DC HBX should be designed in order to meet the documented problems DC residents have in obtaining covered services. The Working Group further recommends that the DC HBX involve the District Department of Insurance, Securities and Banking (DISB), key stakeholder groups, participating health plans and quality improvement experts in developing needed standards and the mechanisms that would be used to assure compliance.

The Network Adequacy Working Group recommends that the following areas of concern be given high priority so that standards could be implemented no later than January 2016:

1. Time and distance metrics
2. Wait time metrics
3. Access to Essential Community Providers (ECP)

In addition to possible additional standards, the Working Group suggested that a policy be developed to assure that plan beneficiaries have appropriate access to the full range of covered benefits, especially mental health and substance abuse services. This policy might include a provision for reducing the out of network cost sharing when unable to gain access that service within the plan's network.

During the phase in period, the DC HBX would work with health plans participating in the exchange to identify and develop the specification of the baseline data to assess these dimensions of network adequacy.