American Hospital Association

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September 22, 2015

J.P. Wieske
Wisconsin Office of the Commissioner of Insurance
Chair, NAIC Network Adequacy Model Review (B) Subgroup
National Association of Insurance Commissioners
444 North Capitol Street, N.W., Suite 701
Washington, DC 20001

Jolie H. Matthews
Senior Health and Life Policy Counsel
National Association of Insurance Commissioners
Hall of States, Suite 701
444 North Capitol Street, N.W.
Washington, DC 20001

RE: Comments Regarding the Sept. 1 Proposed Revisions to the NAIC Health Benefit Plan Network Access and Adequacy Model Act

Dear Mr. Wieske and Ms. Matthews:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our 43,000 individual members, the American Hospital Association (AHA) appreciates the opportunity to provide comments to the National Association of Insurance Commissioners' (NAIC) Subgroup regarding the Sept. 1 proposed revisions to the Health Benefit Plan Network Access and Adequacy Model Act (Model Act). Our detailed comments are attached.

Network adequacy is a significant issue for patients and providers, and the AHA thanks you and the Subgroup for the many opportunities to participate in your year-long deliberative process. In general, we believe that this latest draft represents a significant improvement over the outdated 1996 Model Act. **Specifically, the AHA believes that the proposed revisions would help address the problems providers and consumers face with respect to the lack of transparency around, and inadequacy of, health plan provider networks, as well as the financial burdens that result from these deficiencies.**

Of particular importance to our hospital members is the Subgroup's work on "surprise bills" to protect consumers from unexpected large bills and balanced billing. The

proposed revisions address balance billing for planned services that are provided at in-network health care facilities that may use health care professionals that are not in the health plans' network. The proposed changes to the Model Act would increase transparency of health plans, in-network hospitals and out-of-network health care professionals. It also would include a structured mediation process between the out-of-network health care professional and the health plan when other health plan payment approaches are not considered reasonable by the out-of-network health care professional. **The AHA supports the proposed revisions, which would create a balanced solution amongst providers, health plans and hospitals to better protect the consumer from unexpected bills.**

In addition, we commend the Subgroup for the following changes:

- Apply model requirements to all health plans utilizing provider networks.
- Improve provider directories by adding greater rigor to ensure their availability and accuracy. These improvements include requirements for health plans to update directories at least monthly and to conduct periodic audits to ensure the accuracy of their directories.
- Define tiered provider networks and related provisions to improve health plan transparency for consumers and providers.
- Apply a reasonable limit to a provider's continuation of coverage obligation when a plan becomes insolvent.
- Require that each state's insurance commissioner determine provider network sufficiency.
- Require that health insurers notify the commissioner of any material change to a network plan within 15 business days.
- Recognize that health care services include mental and behavioral health care services, as well as physical care, and that specialists include subspecialists.
- Require that networks be sufficient in numbers and types of providers to ensure that all covered services will be accessible to all covered persons, including both children and adults and those who are low-income or medically underserved, without unreasonable travel or delay.
- Require that health insurers address in their access plans how they meet the needs of covered persons with special needs, including children, those with limited English proficiency, those with physical or mental disabilities, and those from diverse cultural or ethnic backgrounds, including by describing their efforts to include various types of essential community providers in the network.
- Provide for continuity of care for covered persons in the midst of an active course of treatment when their health care provider leaves or is removed from their health plan's network.
- Require health plans to modify their access plan or institute a corrective action plan when they are found to be out of compliance with a provision of the model act.

As you have requested, our detailed comments to the proposed revisions are limited to specific technical or language clarification issues. However, we do believe there are several more broad areas that should be addressed. We urge you to:

- Require that state insurance commissioners set quantitative standards for measuring network sufficiency that are appropriate to their states.
- Establish a transparency requirement that all covered benefits offered through tiered networks be available through providers in the lowest cost-sharing tier.
- Require that state insurance commissioners have prior approval authority of network access plans, rather than give states the option to permit "file and use" of access plans.

Thank you again for the opportunity to comment. We look forward to continuing to work with you as the Subgroup completes its work on this Model Act and it then moves to the Regulatory Framework (B) Task Force for its review.

If you have any questions about this proposed revision, please contact me at (202) 626-2688, or Molly Collins Offner, AHA policy director, at (202) 626-2324 or mcollins@aha.org.

Sincerely,

/s/

Ashley Thompson
Acting Senior Executive, Policy

Attachment: AHA Comments to NAIC 09/01/15 Draft Model #74