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## **Are you prepared for the new Narrow (Provider) Networks paradigm?**

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There are cataclysmic policy shifts now operative that may permanently change how we deliver health care and thereby transform the United States health care system. Insurance reform is dramatically impacting the way we practice medicine in an all-encompassing manner.

How we communicate with and treat patients, how we run our practices, and how we get paid for services rendered are rapidly changing. The health insurance market is re-positioning as a result of the Patient Protection and Affordable Care Act (ACA), sometimes referred to as Obamacare. Some payers are taking advantage of marketplace dynamics, using it as an opportunity to reduce reimbursement rates to providers. In an attempt to contain costs, many payers are beginning to implement narrow networks as a way to save money.

Thousands of physicians are being impacted by recent physician network exclusions by health insurance companies and the transfer of thousands of current customers to narrow provider network (NPN) plans. It has been predicted that NPNs will dominate the state health insurance marketplaces (i.e., exchanges) as well as some health plans that are not part of the exchanges, including Medicare Advantage plans. NPNs are not new.

First implemented in the 1990s, NPNs were used to group physicians primarily by resource utilization and ultimately restrict patient access to a select group of “frugal” physicians within the networks. One big difference between the NPNs paradigm of the 1990s and the new paradigm of this era is the inclusion of a new set of performance management tools. These tools include pay for performance, care coordination, and data transparency.

The NPNs are designed to contain costs in a major way using performance-based contracts, bundle care/episode of care payments, and shared risks. The creation of NPNs is a trend that predated the advent of the ACA, but was accelerated by the ACA. NPNs may become the preferred method of launching a product under the ACA insurance marketplace. Payers are creating NPNs because they are cheaper for many health plans and they can be sold at competitive rates to employer groups, making them quite profitable to these plans.

Payers have great incentive to establish NPNs with their objectives being to:

- Create a smaller network of providers with reduced reimbursement rates, resulting in greater cost savings to the payers and to employer groups.
- Create lower premiums for patients and drive a high volume of patients to

the more “frugal” in-network providers who, in many cases, would have agreed to accept discounted reimbursement rates as a trade-off for the higher volume of patients steered their way.

As a provider network becomes narrower, the care of patients will become more concentrated among a smaller pool of physicians. Many payers have banked on the likelihood that many consumers will go along with less provider choice for lower premiums.

Potential negative consequences of NPNs include:

- Disruption of long-standing patient-physician relationships
- Interference with care coordination and continuity of care
- Interference in therapy plans
- Interference with existing physician referral networks
- Eliminating specialty care services within certain networks

What should you do if your allergy practice is negatively impacted by NPNs? You may find the following tips helpful:

- Be mindful that payers are legally obligated to contact patients to inform them that their provider is no longer in the network.
- Demand written notice specifying concrete reasons as to why you were dropped from the network.
- Insist on being informed in detail about the performance standards used and the profiling criteria used to evaluate physicians.
- Have the proper channels in place to communicate with patients very quickly.
- Call patients to inform them of their options.
- Find out if the patient wants to continue to see you.
- Establish a self-pay policy for your practice to offer selected patients the opportunity to continue to see you if they so desire, even if you are not listed as one of their in-network physicians. (Be mindful that it is not acceptable to payers for you to discount prices for selfpay patients).
- Insist on being provided the information on the numbers and mix of physicians included in the NPN.

There are unanswered questions regarding how NPNs could impact allergists’ practices. Will the NPNs offered by payers provide consumers with reasonable access to a sufficient number of allergists to meet patients’ needs within a given community? Will allergists acquiesce to the price concessions that are being offered by a growing number of payers for permission to participate in NPNs in exchange for potentially larger patient volumes? It is most doubtful that there will be a uniform answer to these questions, as market forces will vary geographically. For this reason, allergists must be proactive in pursuing their valuable niche within the new NPN paradigms operating within their communities.