



Testimony of Claire McAndrew, Private Insurance Program Director, Families USA
Georgia Senate Study Committee: Consumer and Provider Protection Act– SR 561

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Good morning, Senator Burke and Members of the Study Committee, my name is Claire McAndrew, and I appreciate the opportunity to be with you today to speak about the important consumer issues of provider directory accuracy and network adequacy. I am the Private Insurance Program Director at Families USA, a national nonprofit, nonpartisan consumer health advocacy organization dedicated to the achievement of high quality, affordable health coverage and care for all.

I have been working as a close colleague of Georgians for a Healthy Future on these issues for many years. I am also an official Consumer Representative to the National Association of Insurance Commissioners alongside Cindy Zeldin. In that role, I have been deeply involved in the update process for the Network Adequacy Model Act for over a year. I am very excited to report that the process should be complete with a Model Act released in just a matter of days during the NAIC's November Meeting.

In my role as the Private Insurance Program Director at Families USA, I research what states across the country are doing to address these important consumer issues of network adequacy—whether consumers can get appropriate care, in a timely and geographically accessible manner, through their health plan's network, and provider directory accuracy—whether the information consumers receive from health plans about which providers and facilities are in health plans' networks is a correct reflection of where consumers can go for care without facing large bills. I'm here today to share with you some of that research on how other states are handling these issues in hopes that it will provide your committee with helpful information as you tackle network adequacy and provider directory needs for Georgia consumers.

Improving Provider Directory Accuracy

Starting with the issue of provider directories, first and foremost I think it's important to consider why accurate directories are so important.

For consumers, accurate provider directories are critical when shopping for coverage, so that consumers can make comparisons among different health plan options and find the plan that best meets their health needs and will protect them from unnecessarily high out-of-pocket costs for care. If directory information is inaccurate, people in Georgia might buy a plan that actually doesn't provide access to the types of providers and facilities they need. When this happens, consumers experience a bait and switch—it's truly a form of false advertising.

Accurate directories are also important for Georgia consumers once they already have insurance. Health plan enrollees need accurate information about which providers, hospitals, and other facilities are in their network when they need care. They need to know where they can go for

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primary and specialty care and be charged only in-network cost-sharing amounts. If this information is inaccurate, Georgians may end up going to a provider who ultimately doesn't take their insurance, and then they can get hit with a huge bill. Or, even if that doesn't happen, health plan enrollees might just spend all day calling around for an appointment but reaching only dead phone numbers or providers who don't take their insurance. It's a huge hassle, especially when someone is sick.

Finally, not only are accurate provider directories necessary for consumers, they're also important for regulators, whose job it is to ensure that health plans have enough and the right variety of providers and facilities in-network to meet consumers' needs and fulfill the contracts that insurers have with consumers to deliver covered benefits. When Georgia health plans are giving their provider network information to the U.S. Department of Health and Human Services to review for certifying plans on the marketplace, or to Georgia's Office of Insurance to review otherwise, or to health plan accreditors like the National Committee for Quality Assurance or URAC, if it's full of inaccuracies, these inaccuracies can mask network adequacy problems. Regulators may end up approving networks as adequate even if the networks include far fewer providers than information from the insurers indicates.

Provider Directory Inaccuracies are Prevalent

So just how worried about these problems should we be? Fortunately, there are some data to inform us. These data come from secret shopper studies, where researchers or regulators call number after number in insurers' provider directories to find out if the listed providers are reachable and if they are really in-network. Here are the results of some of those studies:

- Earlier this year, in Maryland, one study found that less than half of the psychiatrists listed in directories for the marketplace plans could be reached at the numbers listed for them. Only 43% could be reached at the numbers listed in the directories.
- This is not a problem unique to the marketplaces. A study conducted of PPO plans in New Jersey in 2013, before the marketplaces were running, found that only 59% of psychiatrists had accurate contact information listed in plans' provider directories.
- On the other side of the country, in California, regulators last week actually fined Blue Shield and Anthem Blue Cross a combined \$600,000 for failing to improve provider directories after the state conducted an audit last year and found that directories included what state regulators consider an unacceptable level of inaccuracies, such as providers of all types listed with incorrect phone numbers, providers listed practicing in-network when they actually do not, and providers listed practicing at locations where they don't actually see patients. In addition to the fines, the companies are being required to reimburse patients for costs they incurred for seeing out-of-network providers due to directory inaccuracies.

There is no reason to believe that the level and types of provider directory inaccuracies that are well-documented by these studies in other states do not exist in Georgia. They are systemic problems that have existed for years and will continue to pose problems for consumers and regulators if adequate standards are not implemented to prevent them.

Policy Steps to Improve Provider Directory Inaccuracies

There are many steps, which are not mutually exclusive, that this Committee could consider in order to address provider directory inaccuracies. They are outlined in the materials I've provided and I'm going to describe four of them now.

1. First, as Texas, California, and the District of Columbia have done, Georgia could require health plans to establish an easy way for the public to report provider directory inaccuracies to health plans. Through a dedicated email address, a designated web link, and a phone number, the public can make these reports and the plans can be accountable for investigating them and correcting them accordingly within a set period of time, such as 2 weeks.
2. Second, as Texas, Pennsylvania, and California require, Georgia could require insurers to honor their provider directory information such that if a consumer goes to an out-of-network provider or facility believing the care will be billed as in-network due to information in a directory, consumers will be held harmless for any costs beyond what they would pay for in-network care.
3. Third, like in California and the District of Columbia, health plans in Georgia could be required to audit their directories and weed out any inaccuracies. As frustrating as it may be, insurers unfortunately cannot wait for providers to always update their information because some providers move away, retire, or of course die, and these updates may not come through. And furthermore, I have heard from providers who actually try to update their information with plans but still see their inaccurate information listed in directories time and again. Regular audits would catch these problems.
4. Fourth, as required in New Jersey, Georgia health plans could be required to contact providers or facilities that have not submitted claims within a set period, such as 6 or 12 months, to verify if they still intend to be in-network. If they don't respond within a set time period, those providers should be removed from directories.

I should mention that the NAIC network adequacy Model Act also includes two of these provisions. Specifically, it includes a process for the public to report directory inaccuracies to health plans through an email address, web link, and phone number, and it require health plans to conduct periodic audits of at least a reasonable sample of their directories. This Act was assembled by insurance regulators of all stripes from all over the country and the process involved stakeholders such as consumer representatives including me and Cindy, insurers, providers, and brokers working together to tweak language and compromise to bring the Act to completion.

If the Georgia legislature implements the steps I described for improving provider directory accuracy for Georgia consumers, it could have a big impact on their access to care and their finances, saving them from the surprise bills that come from unexpectedly seeing out-of-network doctors when provider directories are incorrect.

Steps for Improving Network Adequacy

More broadly looking at network adequacy, I'd also like to share some thoughts on what the Study Committee can do to be sure that when Georgians spend their hard-earned money on

insurance, they're getting more than just a plastic card. Health insurance is a lot like a cell phone in that it's only as good as the network it's on. If people are paying for coverage and they are guaranteed through their legally binding contract with their insurance plan a set of certain health care services, but due to an inadequate network they can't get them, there is a serious consumer protection violation occurring. But luckily there are many things that legislators can do to protect Georgia consumers from this problem.

Turning again to how other states have handled this, Georgia could consider steps, including but not limited to:

1. Implementing quantitative standards for how long consumers should have to wait to get an appointment with primary care and specialty providers. For example, in the state of Washington, consumers are guaranteed appointments with primary care providers within 10 business days and with specialists within 15 business days for non-urgent services. California has similar standards.
2. Implementing quantitative standards for how far people should have to travel to get care, known as time and distance standards, is another step the Georgia legislature could consider. Many states all over the country have these types of standards, but for example, New Jersey requires that people should be able to get mental health and substance use care within 20 miles or 30 minutes average driving time, and they have similar standards for all other kinds of care. In addition, the federal government outlines these kinds of standards for Medicare Advantage.
3. If health plans cannot meet these standards for a consumer, consumers should have the right to see an out-of-network provider, when available, without paying more than the consumer would pay for care in-network. States like Delaware and New York have these kinds of requirements, and the NAIC model act that will be out later this month requires health plans to create processes for consumers to go out of network when health plans cannot make in-network care available in a timely and geographically accessible manner.
4. Setting standards for the inclusion of essential community providers, or ECPs, in health plans' networks, which include providers like federally qualified health centers, is another requirement for network adequacy that the Georgia legislature could consider. For example, in Montana, although the state has a federally facilitated marketplace, it has determined that the standards set by the federal government for ECP inclusion are not sufficient and requires marketplace insurers to include 80 percent of ECPs on a list created by the state in-network instead of using the federal standard of including in-network 30 percent of ECPs from a federal list.

Accreditation is necessary but not sufficient

When it comes to both provider directories and network adequacy, health plans do follow the existing federal standards and accreditation standards, but bear in mind that despite these standards, problems persist for consumers and providers alike. That is because the standards, although very helpful, are not specific enough.

For accreditation, there are two other reasons that explain why accreditation must be considered an addition to, but not a substitute for, state requirements. I am specifically referring to NCQA accreditation, which I consider a very rigorous accreditation process and frankly the gold star of accreditation, but still not a substitute for legal standards for these two reasons. One is that each element of the accreditation process does not have to be met in order for a company to be accredited. Accreditation is achieved via a points scoring system, so if a plan does not receive points in one area, it can achieve them elsewhere and still be accredited. For example, if a plan does not get any provider directory or network adequacy points on its accreditation exam, it can make those points up through a different element and still become accredited. The second reason that accreditation is no substitute for state specific standards on network adequacy and provider directory accuracy is that accreditation is not a pass/fail system. There are different levels of accreditation, yet a plan that has achieved any level of accreditation can claim to have accreditation status. A plan at the lowest level of accreditation may have achieved far less or nothing in network adequacy and provider directory accuracy compared to a plan at the highest level, which is known as “excellent” in NCQA rankings and is far less commonly achieved than “commendable” or just “accredited” status. The take away is that just because a consumer is purchasing an accredited plan does not mean that plan has received any points for network adequacy or provider directory standards from an accreditor, even if an accreditor considers those factors when examining health plans.

So with that, I strongly encourage you to consider enacting Georgia-specific legislative standards for provider directory accuracy and network adequacy so that Georgia residents know that when they spend their hard-earned money on insurance coverage, they are getting reliable access to the services they need to get and stay healthy. I commend you for taking the time to review these important issues for Georgia consumers and appreciate the opportunity to be here with you today. I am happy to take any questions you have today or in the future. **I can be reached at cmcandrew@familiesusa.org or 202-628-3030.**