## A. Events since the last Network Adequacy meeting

("Carrier", "issuer", "insurer", "insurance companies" are synonyms and have been used interchangeably below.)

1) The first Network Adequacy meeting for Plan Year 2017 (PY2017) between the insurers, Arkansas Insurance Department (AID) and other stakeholders was held in November 11, 2016. AID presented its Network Adequacy Review vision and presented the following for industry feedback and comment
    a. Provider Type Definitions (drafted with the help of Arkansas Department of Health & Arkansas Center for Health Improvement)
    b. Proposal on a process to arrive at a uniform description of each individual provider.

2) Industry has commented on 1.a) Provider Type Definitions with additions and deletions. AID has accepted all changes suggested and the "Finalized PY2017 Provider Type Taxonomic Descriptions" can be downloaded from the page http://rhld.insurance.arkansas.gov/Default/NetworkAdequacy. Sixteen of the eighteen Provider Types have changes. The some of the labeling of the Provider groups may need to be tweaked to correctly accommodate the changes. For example "Access to Ophthalmologists" now includes non-physicians and therefore a more suitable title may be "Access to Ophthalmic Care".
3) Industry has unanimously accepted AID's proposal in 1.b). One carrier has articulated the need to additionally provision for the Provider Employer NPI-Provider NPI relationship quoted verbatim below.

> "<Insurer-name-suppressed> generally agrees with AID's proposed method.
>
> Our main concern revolves around facilities that have multiple NPIs and the fact that a payer may or may not have collected all the necessary NPIs. The process outlined by AID does not resolve the fact that payers may have different requirements as to which NPIs a provider is required to submit.
>
> For example:
>
> Ouachita County Medical Center
> Psychiatric Unit NPI – 1538107776
> Swing Bed NPI – 1972543627
> Acute Care NPI – 1518296037
> General Acute Care Rural NPI – 1245284769
>
> In this instance, <Insurer-name-suppressed> is contracted with the hospital. Our contract covers psychiatric services, swing bed services, and acute care services. All claims submitted by the hospital to us are under NPI 1245284769 so we capture 1245284769 as the provider's NPI. This would be the NPI that is submitted to AID. If other payers submit the other NPIs above, then they would be on the NPI list when returned to us. We would not recognize those other NPIs without doing one by one research in the NPI registry. This could potentially show a gap in the network when one does not exist.
>
> To help mitigate this issue, we would request that the list returned to the payers include NPI, name, and address at a minimum. Payers could at least review the names and addresses to determine if those organizations are contracted without doing a one by one NPI look up."

AID agrees with the carrier and has made minor changes to accommodate this need. Instead of a single dataset of NPIs covering medical needs of Arkansans, another dataset listing available relationship of Provider Employer NPI- Provider NPI will be solicited, based on the carrier's claims or contract data. AID will consolidate this data for carrier usage.

AID's proposals have been articulated in new document as processes with inputs and outputs. "PY2017 NA Review Process" can be downloaded from http://rhld.insurance.arkansas.gov/Default/NetworkAdequacy. The entire annual operation have been divided into three phases

1) Pre-planning
2) Industry's NA data submission and AID review
3) Ongoing Monitoring

The pre-planning phase is unique to Arkansas and will be unfamiliar territory to insurers. This phase has been further reinforced using a "Swim Lane" flowchart. Refer to "PY2017 NA Review Process (Phase 1 Details)" within http://rhld.insurance.arkansas.gov/Default/NetworkAdequacy.

At the time of drafting this memo the start and end dates in the annual process has not been finalized as the Federal and State final Rules and Regulations timelines are in a state of flux.

## B. Timelines

4) CMS/CCIIO has released their draft versions of PY2017 "Letters to Issuers" and "Benefits and Payment Parameters". Draft versus final dates for the two Federal documents are as follows in the past few years;

| | Draft | Final |
|---|---|---|
| PY 2014 Letters to Issuers | 01-Mar-13 | 05-Apr-13 |
| PY 2015 Letters to Issuers | 04-Feb-14 | 14-Mar-14 |
| PY 2016 Letters to Issuers | 19-Dec-14 | 20-Feb-15 |
| PY 2017 Letters to Issuers | 23-Dec-15 | N/A |
| | | |
| PY 2014 Payment Parameters | 07-Dec-12 | 11-Mar-13 |
| PY 2015 Payment Parameters | 02-Dec-13 | 11-Mar-14 |
| PY 2016 Payment Parameters | 26-Nov-14 | 27-Feb-15 |
| PY 2017 Payment Parameters | 02-Dec-15 | N/A |

AID estimates the remaining important milestones for marketplace plans as the following

| Document | Estimated Date |
|---|---|
| QHP Bulletin | March 1, 2016 |
| Data submission for review | April 1, 2016 |
| Recommendation for approval/rejection | May 11, 2016 |

In line with the above AID proposes that Phase 1 of the Network Adequacy review to be completed by March 1, 2016. That would enable issuers time to prepare for the geo-access data reports. To meet the above timeline the first Phase 1 data delivery will need to occur by January 19, 2015 (NPI List and NPI Relationship list)

## C. Metrics for measurements

5) Within the PY2017 "Letters to Issuers" and "Benefits and Payment Parameters" drafts CMS/CCIIO calls for the following metrics

- The State prospectively enforces time and distance standards at least as stringent as the FFM standard
- The State prospectively verifies a minimum provider to covered person ratio for the specialties with the highest utilization rate for its State.

**Time & Distance**

It is not clear if "time and distance" can be replaced with distance or if both are required.

AID proposes the following triggers to require an up-front justification from the industry on the above measures (Failure to meet either of the two)

| | **Large, Metro & Micro county threshold** | **Rural & CEAC county threshold** |
|---|---|---|
| Average distance to 1st provider | Standards set in Rule 106 for different provider types (generally 30 miles for non-specialists and 60 miles for specialists) | 120% of the standards set in Rule 106 for different provider types |
| Percentage of enrollees within distance standard | 80% | 80% |

Examples of when up-front justification is required:

1) Issuer ABC "Average Distance to 1st Provider" for Oncologists in (rural) Mississippi county is 65 miles and its covers 81% of its enrollees within the average distance. Up-front justification is not required.
2) Issuer ABC "Average Distance to 1st Provider" for Oncologists in (Metro) Faulkner county is 65 miles and its covers 81% of its enrollees within the average distance. Up-front justification is required.
3) Issuer ABC "Average Distance to 1st Provider" for Oncologists in (Metro) Faulkner county is 59 miles and its covers 81% of its enrollees within the average distance. Up-front justification not is required.
4) Issuer ABC "Average Distance to 1st Provider" for Oncologists in (Metro) Faulkner county is 59 miles and its covers 75% of its enrollees within the average distance. Up-front justification is required.

**Provider to covered person ratio**

AID solicits industry suggestions on the "Provider to covered person ratio"for rural versus non-rural counties for the various Provider Types being measured in Arkansas with as much alignment with Medicare Advantage data as possible. This feedback is solicited by January 19, 2015. Suggested ratios would be discussed with Federal and/or other state authorities for suitability.

AID has concluded from its research and experience that the "Provider to covered person" ratio is a more commonly used industry metric than the "specialty inclusion" ratio that had been attempted in PY2016. It has the advantages of being consumer centric, being as protective of industry against unfair practices, encouraging new entrants and finally, easier to measure. The "inclusion ratio" measure will no longer be attempted in PY2017. For example, AID will no longer attempt to validate that 80% or all oncologists are within the plan's network within the service area.

## D. Two New Data templates to start off Phase 1 for PY2017

Two new templates are being proposed to start off data aggregation for the NA regulation ground work. Both files should be type CSV. Both files need to be submitted using the document General_Data_submission_process_to_RHLD_Version 1.1.pdf by January 19, 2015.

**NPI List Template:**

| SL# | Field Name | Description | Mandatory Field? |
|---|---|---|---|
| 1 | NAIC_Carrier_ID | Enter the five digit NAIC (National Association of Insurance Commissioners) code assigned to the carrier. This data element in association with the NPI will not be shared externally. | Y |
| 2 | NPI | Enter the Provider's National Provider Identifier (NPI) of the provider. This may be an individual provider or a facility. This provider must provide medical care service to Arkansans even if located out of state. If this provider does not provide services to Arkansans, please do not report this NPI. Carriers are required to encourage their contracting providers to register in the NPI registry. | Y |
| 3 | Participating_Indicator | Y/N indicator for provider contracting with the carrier | Y |
| 4 | Practice_Type | P = Primary Care Provider, S = Specialist, B = Both, X=Information not available with the carrier. | Y |

**NPI Relationship list Template:**

| SL# | Field Name | Description | Mandatory Field? |
|---|---|---|---|
| 1 | NAIC_Carrier_ID | Enter the five digit NAIC (National Association of Insurance Commissioners) code assigned to the carrier | Y |
| 2 | Business_NPI | Enter the National Provider Identifier (NPI) that is known by the carrier to employ provider(s). This is usually a facility or a group practice. This data may be available in the carrier's contract data. | Y |
| 3 | NPI | Enter the National Provider Identifier (NPI) of the provider employed by the Business NPI. This may be an individual provider, a facility or a group. This provider must provide medical care service to Arkansans even if located out of state. If this provider does not provide services to Arkansans, please do not report this NPI. Carriers are required to encourage their contracting providers to register in the NPI registry. | Y |
| 4 | Business_Name | Business name of the Business_NPI (SL#2). This data element is requested to make it easier for the carrier to relate what the Business_NPI refers to. Please note that if AID finds many variations of the business name for the same Business_NPI, the department will randomly choose one name from among the carrier data in the consolidated relationship data listing. | Y |
| 5 | Business_Address | Address related to Business_NPI (SL#2). This data element is requested to make it easier for the carrier to relate what the Business_NPI refers to. Please note that if AID finds many variations of the business address for the same Business_NPI, the department will randomly choose one address from among the carrier data in the consolidated relationship data listing. | Y |

## E. Problem Log published

As promised in the last meeting AID has published a "Network Adequacy Problem Log" that can be accessed from http://rhldqa.insurance.arkansas.gov/Default/NetworkAdequacy. Public has the ability to add or comment on this log. This articulates the known problems with Arkansas Network Adequacy Review and Regulation. AID is aware that acknowledging problems with a system is the first step towards improvement. AID in consultation with stakeholders will prioritize improvements over iterations.

## F. Robert Wood Johnson Foundation funded research

A relevant and informative webinar on network adequacy was hosted by Health Management Associates on December 8, 2015. This webinar is a presentation based on Robert Wood Johnson Foundation funded research on "Provider Network Adequacy Monitoring". It can be accessed at https://www.healthmanagement.com/news-and-calendar/article/497. This is being provided as information for those interested.

They also have published the full report (88 pages) and can be downloaded at file:///C:/Users/tdasgupta/Documents/HBE%20project/Network%20Adequacy/HMA%20Research/HMA-Final-Report-RWJF-Project-Provider-Network-Monitoring-Compliance-Survey-Oct-2015.pdf .