California Medical Association
Physicians dedicated to the health of Californians

June 25, 2012

Peter Lee, Director
California Health Benefit Exchange Board
2535 Capitol Oaks Drive, Suite 120
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Submitted electronically to *info@hbex.ca.gov*.

RE: Recommendation for the Provider Network Adequacy Verification and Reporting Process for Qualified Health Plans (QHP)

Dear Mr. Lee and Members of the Board:

On behalf of the California Medical Association (CMA), we want to thank you for considering stakeholder comments on the QHP stakeholder input report, *The California Path to Achieving Effective Health Plan Design and Selection and Catalyzing Delivery System Reform*. We will be submitting further comments regarding the QHP selection criteria and related guidelines in addition to the recommendation herein, which we are submitting separately due to the potential urgency posed by the June 29, 2012, federal Level I Phase 2 Establishment Grant deadline.

We are recommending that the Exchange Board capitalize on the new provider directory functionality of the System for Electronic Rate and Form Filing (SERFF) by integrating the network adequacy verification system currently used in Medicare Advantage (MA).

The state already uses the National Association of Insurance Commissioners' (NAIC) SERFF and would incur no added cost from utilizing SERFF's new Plan Management Module, which will come online December of 2012 to assist in the process of certifying, recertifying, and decertifying QHPs. The Plan Management Module will feature a provider directory submission tool by which plans may submit their respective provider networks in a standardized format, as determined by the state.

If provider directories were submitted in the format of MA's health services delivery (HSD) table,[1] the Exchange could utilize software packages currently being used for MA network adequacy verification by the Centers for Medicare & Medicaid Services (CMS) and for self-verification by a significant percentage of the health insurance industry. These packages quickly and automatically verify that the network is adequate according to defined standards using the data submitted in the HSD table. Arizona is one state currently exploring the use of such a system for its exchange.

[1] Centers for Medicare & Medicaid Services. *Medicare Advantage Health Services Delivery Provider & Facility Specialties and Network Adequacy Criteria Guidance*. http://www.cms.gov/Medicare/Medicare-Advantage/MedicareAdvantageApps/Downloads/CY2013_HSD_Provider_Facility_Specialties_Criteria_Guidance_111011.pdf. Last accessed June 25, 2012.

The state could modify values and indicators for the HSD table fields to suit the purposes of the Exchange while still maintaining functionality with current MA network adequacy verification software packages, such as that offered by Quest Analytics (a package used by CMS and a number of major issuers in California).[2] For instance, the state would need to add indicators for practice specialties like pediatrics, add or categorize indicators for identification of essential community providers, and use a prospective patient population other than Medicare beneficiaries. Of course, the exact parameters by which the Exchange deems a network adequate would be subject to stakeholder review and comment and could be regularly revised as the Exchange sees fit with minimal administrative difficulty.

The current HSD data format and software packages used by CMS and nearly all issuers with an MA plan also provide a high ceiling as to the level of information the Exchange may efficiently provide to consumers. Provider mapping tools could be provided on the Exchange website and allow searching according to a large number of categories beyond just practice specialty and contracted plans, such as the availability of language services. Provider network updating also could be required with regularity, such as monthly or more often, without significant increases in administrative burden.

In sum, a federally vetted network adequacy verification system building on processes and technologies already utilized by government and the health insurance industry would allow for exceptional access to plans' provider network information for consumers and consequently assure consumers they are getting what they want in a plan. Such a system could do all this with relatively minimal administrative burden and cost to the state and industry. Furthermore, this recommendation is consistent with a number of stakeholder comments submitted on QHP selection criteria, especially those requesting the Exchange explore coordinating with or expanding on the work of the MA program and for a reduction in barriers for entry of MA plans.

Thank you again for the opportunity to provide input on this important facet of helping Californians find coverage and access that work for them. We look forward to continuing to work with the Exchange Board and staff in this and other efforts.

Respectfully Submitted,

Brett Johnson, Associate Director, Medical & Regulatory Policy, CMA

Cc: David Panush, Director of Government Relations, California Health Benefit Exchange

[2] A representative at Quest Analytics confirmed that, at least with the program they provide for CMS and insurers in California (e.g., Blue Shield, SCAN, and HealthNet), such modifications could be made with minimal difficulties. Furthermore, the representative stated that HSD table data could easily be translated to an online geo-mapping tool to allow the Exchange and public to access provider maps based on user-specified information.