part II
exploring network transparency

strenuus.

Jillian Carlile, MBA and Paul Nance, ASA

introduction

In April of 2016, we took an in-depth look at the Centers for Medicare & Medicaid Services (CMS) rule about adding "network breadth" ratings to Healthcare.gov in our blog post, Exploring Network Transparency[1].

By 2017 Open Enrollment, CMS settled on publishing the network breadth ratings in four test pilot states: Maine, Ohio, Tennessee, and Texas. As a follow-up to our preliminary analysis, we took a deep dive into what the ratings look like in the test pilot states.

what we did

2017 exchange network data for all networks in Maine, Ohio, Tennessee, and Texas was collected, cleaned, standardized, matched, and individualized. A sample of network data in other Federally-Facilitated Marketplace states (FFMs) also underwent this multi-step processing.

The data was then analyzed and the Provider Participation Rates, or PPRs, for each network were calculated based on guidelines published by CMS (see Sources on page 7). We sought clarification from CMS where we had questions about their methodology; this additional information influenced our final methodology.

The network classification ratings published on Healthcare.gov were collected for plans available in Ohio and Texas. This data was cleaned and matched to the plan and network data available in the CMS Health Insurance Marketplace Public Use Files (Marketplace PUFs). For examples of how the ratings are displayed on Healthcare.gov, see the Appendix.

why we did this

Our goal is to ensure our clients have visibility into how their provider data is being viewed in the market. By monitoring the network landscape, we are able to alert issuers to situations where they are at a disadvantage. We give our clients the information and tools they need to adapt quickly to the changing healthcare landscape.

background

For the 2017 Open Enrollment period, network breadth ratings were made available to consumers on Healthcare.gov during the plan selection process.

The ratings are a measurement of network strength based on provider counts.

- Each network's breadth is compared to the network breadth of other QHPs available in the same county.
- The ratings focus on hospitals, adult primary care, and pediatric primary care.
- The ratings are determined by calculating the Provider Participation Rate (PPR) or the number of providers available in a network divided by the total number of providers available in all exchange plans in the county.

Network Classifications

There are three network breadth ratings:

- Smaller than other plans (Basic)
- About the same as other plans (Standard)
- Larger than other plans (Broad)

key findings

provider type

Among the provider types included in this analysis in the four test pilot states, the hospital portion of networks was the broadest overall.

The average percent of providers participating in hospital networks (67.3%) was higher than that of adult primary care providers (45.6%) and pediatric primary care providers (45.8%) in the four test pilot states.

CBSA regions

In Rural and CEAC areas, issuers have fewer provider options to choose from to build their networks; this often means issuers must contract with all providers in these regions to build adequate networks. Networks in these areas often have higher rates of provider participation.

On the other hand, issuers have multiple providers to choose from in Large Metro and Metro areas so they can narrow their networks and they will remain adequate. These areas often have lower rates of provider participation.

We see this reflected in the results of our analysis. CEAC counties tend to include the greatest percentage of available providers in-network while Large Metro counties tend to include the fewest available providers.

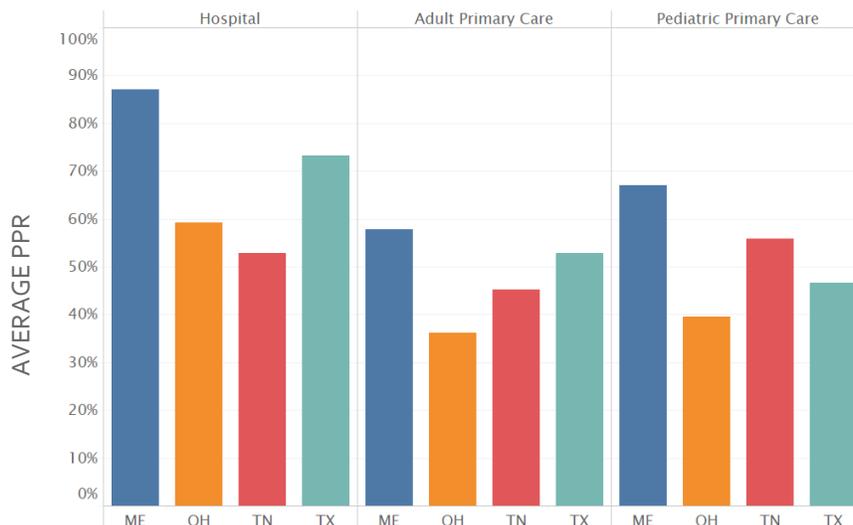FIGURE ONE AVERAGE PPR IN TEST PILOT STATES
BY PROVIDER TYPE & STATE

Figure 1- Average PPR in the four test pilot states by provider type
(Counties where only one network is available are excluded)

FIGURE TWO AVERAGE PPR IN TEST PILOT STATES
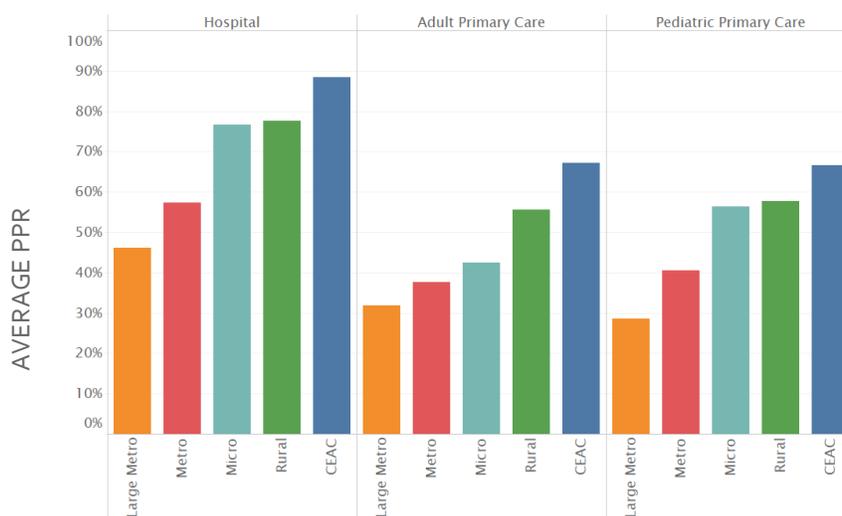BY PROVIDER TYPE & CBSA COUNTY DESIGNATION

Figure 2 - Average PPR in the four test pilot states by provider type and CBSA Designation
(Counties where only one network is available are excluded)

Why does Maine have the broadest networks?

competition
Maine has more competition in each county than in the other test pilot states. There are no counties in Maine where only one or two issuers are offering plans; while the other states have many counties where this is the case.

geography
Networks with fewer participating providers, or narrow networks, tend to be most common in Large Metro areas. There are NO large metro counties in Maine.

FIGURE **THREE** AVERAGE PPR IN SAMPLE FFM STATES
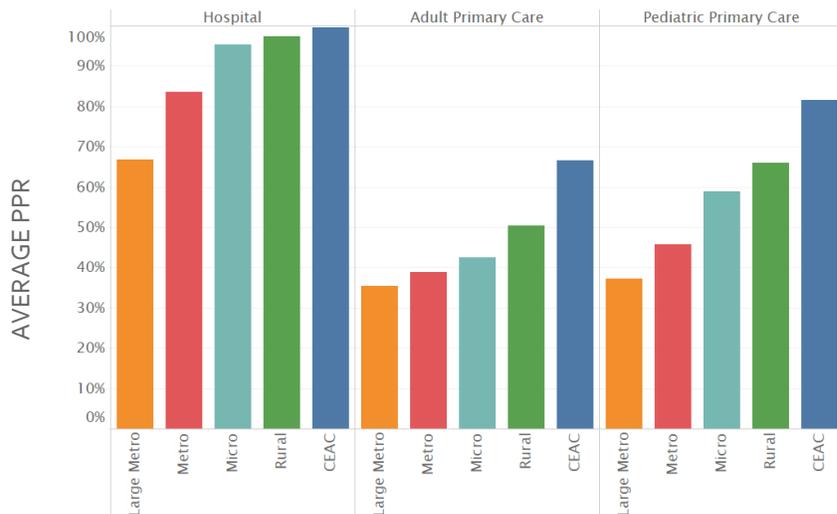BY PROVIDER TYPE & CBSA COUNTY DESIGNATION

Figure 3 – Average PPR in the FFM states by provider type and CBSA Designation
(Counties where only one network is available are excluded)

FIGURE **FOUR** AVERAGE PPR IN SAMPLE FFM STATES
BY PLAN TYPE & CBSA COUNTY DESIGNATION

Figure 4 - Average PPR in the FFM states by plan type and CBSA Designation
(Counties where only one network is available are excluded)

federally-facilitated states

Our analysis of FFM network data revealed similar results to those of the four test pilot states.

provider type

Among the provider types included in this analysis, the hospital portion of networks was the broadest overall.

The average percent of providers participating in hospital networks (88.4%) was higher than adult primary care providers (44.2%) and pediatric primary care providers (51.9%) in the FFM states.

plan type

Looking at plan type, we found networks utilizing plans labeled as PPO had the highest average PPR (64.4%), followed by POS (62.1%), HMO (59.1%) and EPO (52.3%) labeled plans.

How do the four test pilot states compare to the other FFM states?

provider type

When comparing the test pilot states to the sample FFM states, the biggest difference in average network breadth is in the size of the hospital networks. In the test pilot states, the average hospital PPR is 67.3% compared to 88.4% in the sample FFM states.

CBSA regions

Again, we see that CEAC counties tend to include the greatest percentage of available providers in-network while Large Metro counties tend to include the fewest available providers, with the exception of EPO plans.

heathcare.gov ratings

ratings

Overall, in Ohio and Texas, 3.4 percent of networks were rated as broad, 62.5 percent were rated as standard, and 34.2 percent were rated as basic.

Ohio vs Texas

Basic networks were more common in Ohio than in Texas, while standard networks were more common in Texas than Ohio.

Comparing States

State exchange markets are unique. There can be large differences in the breadth of networks between states. Ohio and Texas are a great example of the variations we can see.

CBSA regions

Across all CBSA regions, in Ohio and Texas, standard networks were most common, followed by basic and then broad networks.

Large Metro and Metro regions had the greatest percent of networks that were broad.

CEAC and Rural regions had the greatest percent of networks that were standard.

Micro regions had the greatest percent of networks that were basic.

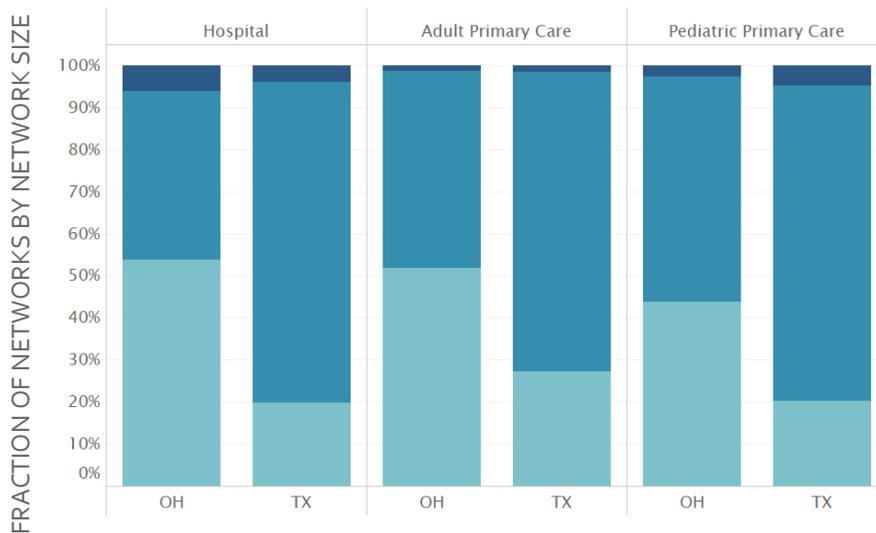FIGURE FIVE   HEALTHCARE.GOV RATING CLASSIFICATIONS
BY PROVIDER TYPE & STATE

Figure 5- Healthcare.gov ratings in Ohio and Texas by provider type
(Counties where only one network is available are excluded)

BROAD   STANDARD   BASIC

FIGURE SIX   HEALTHCARE.GOV RATING CLASSIFICATIONS
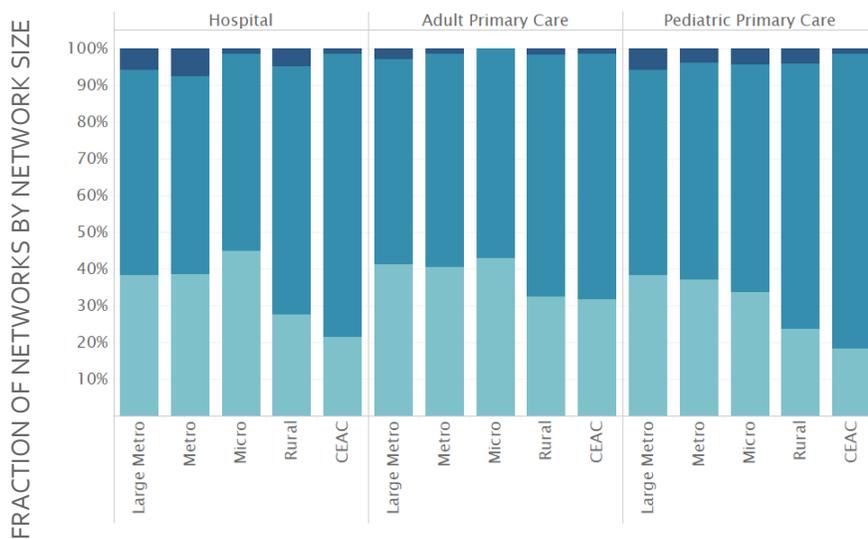BY PROVIDER TYPE & CBSA COUNTY DESIGNATION

Figure 6 – Healthcare.gov ratings in Ohio and Texas by provider type and CBSA Designation
(Counties where only one network is available are excluded)

Healthcare.gov Ratings

plan-to-network ratings

The ratings on Healthcare.gov are displayed at the plan level. Our Insights team matched those plans to the network data available in the CMS Health Insurance Marketplace Public Use Files (Marketplace PUFs) in order to show ratings at the issuer-network level.

APPENDIX

methodology

Notes

The focus of this analysis was on provider network data from the four test pilot states. This data covered 26 issuers, 41 networks, and over 2000 issuer-network-county-provider type combinations.

In 73 counties in Tennessee and 94 counties in Texas, only one network is available. These counties and networks were excluded because no provider participation rates are available.

State	Issuers	Networks
Maine	3	5
Ohio	10	16
	For our purposes, we count Consumers Life Insurance Company and Medical Health Insurance Corp of Ohio as one company, MedMutual.	
Tennessee	3	6
	Humana's Knoxville PPO network is the only network in the counties where it is offered, for this reason it is excluded from the majority of the analysis because no Provider Participation Rates are available for the network.	
Texas	10	14

Strenuus Provider Type Classifications

Hospitals	General Acute Care
Adult Primary Care	001 General Practice, 002 Family Medicine, and 003 Internal Medicine
Pediatric Primary Care	Pediatrics

Provider Participation Rate or PPR

The number of each QHP's servicing providers at the issuer, network, county, and specialty combination level divided by the total number of all available QHP servicing providers for that county, including Essential Community Providers (ECPs). We often refer to this as a calculation of market penetration.

Network Classifications

Basic	Smaller than other plans in area
	Networks with a PPR that are more than one standard deviation below the mean PPR.
Standard	About the same as other plans in area
	Networks with a PPR that are within one standard deviation of the mean PPR.
Broad	Larger than other plans in area
	Networks with a PPR that are more than one standard deviation above the mean PPR.

network breadth ratings on healthcare.gov

The ratings appear on the plan **DETAILS** page in the **ACCESS TO DOCTORS AND HOSPITALS** section under **SIZE OF PROVIDER NETWORK, COMPARED TO OTHER PLANS**.

BASIC – SMALLER THAN OTHER PLANS IN AREA

Access to doctors and hospitals

Provider directory URL	View
National Provider Network ❶	No
Need referral to see a specialist	No
Size of provider network, compared to other plans in: ❶	Dallas County, TX
Hospitals	Smaller than other plans in area
Primary Care Doctors	Smaller than other plans in area
Pediatricians	Smaller than other plans in area

STANDARD – ABOUT THE SAME AS OTHER PLANS IN AREA

Access to doctors and hospitals

Provider directory URL	View
National Provider Network ❶	No
Need referral to see a specialist	Yes
Size of provider network, compared to other plans in: ❶	Dallas County, TX
Hospitals	About the same as other plans in area
Primary Care Doctors	About the same as other plans in area
Pediatricians	About the same as other plans in area

BROAD – LARGER THAN OTHER PLANS IN AREA

Access to doctors and hospitals

Provider directory URL	View
National Provider Network ❶	No
Need referral to see a specialist	No
Size of provider network, compared to other plans in: ❶	Penobscot County, ME
Hospitals	Larger than other plans in area
Primary Care Doctors	About the same as other plans in area
Pediatricians	Larger than other plans in area

NO-RATING – ONE NETWORK COUNTIES

Access to doctors and hospitals

Provider directory URL	View
National Provider Network ❶	Yes
Need referral to see a specialist	No

sources

Network Breadth Pilot
Centers for Medicare & Medicaid Services (CMS), HHS
CMS Bulletin on Network Breadth Information for Qualified Health Plans on Healthcare.gov
LINK

Network Breadth Pilot
Centers for Medicare & Medicaid Services (CMS), HHS
Updated CMS Bulletin on Network Breadth Information for Qualified Health Plans on Healthcare.gov
LINK

Proposed Rule
Centers for Medicare & Medicaid Services (CMS), HHS
Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2017
http://strenuusnow.com/wp-content/uploads/2016/04/CH1026301120.pdf

Final Rule
Centers for Medicare & Medicaid Services (CMS), HHS
Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2017
http://strenuusnow.com/wp-content/uploads/2016/04/CH104114229.pdf

Final 2017 Letter to Issuers in the FFMs
Center for Consumer Information and Insurance Oversight (CCIIO)
2017 Letter to Issuers in the Federally-Facilitated Marketplaces
http://strenuusnow.com/wp-content/uploads/2016/04/Final-2017-Letter-to-Issuers-2-29-16.pdf

Beyond the Data – Strenuus Insights Research and Reporting

While raw data is certainly useful, the real value comes from what you do with that data.

The Strenuus Insights team is uniquely positioned to analyze that data from both a macro view and a micro view. With our in-depth research and analysis of relevant industry trends, you will have the best data and the best insights.

While it is clear that the healthcare industry is changing, most organizations don't have the right resources or tools to examine the changing environment. Organizations need to gain an understanding of how these changes are being implemented by various industry participants to stay competitive and viable in this dynamic Industry. The Strenuus Insights team, responsible for conducting research and analysis on health insurance carriers, provider networks, and network data, is constantly monitoring the shifting landscape to provide industry stakeholders access to the most current research and analysis.

The Strenuus Insights team will develop a custom deliverable, giving you access to market-specific insights that deliver actionable knowledge about your market.

Interested in a custom market analysis?

Contact us.

strenuus.com

7007 College Boulevard, Suite 650
Overland Park, KS 66211

strenuus.insights@strenuus.com   **(866) 888-7591**

At Strenuus, we make provider network data work. We are the largest collector of managed health care data in the U.S., sourcing data from thousands of commercial medical, dental, Medicare, Medicaid and specialty networks. Our methods are the standard for delivering actionable data as part of our provider network intelligence and analysis services to payors nationwide. For leading benefit consultant and healthcare IT companies, we power their consumer-facing provider search solutions with the only unified network dataset in the industry.
We focus exclusively on provider network data to deliver a competitive advantage.