January 12, 2015

J.P. Wieske
Wisconsin Office of the Commissioner of Insurance
Chair, NAIC Network Adequacy Model Review (B) Subgroup
National Association of Insurance Commissioners
444 North Capitol Street, NW Suite 701
Washington DC 20001

Jolie H. Matthews
Senior Health and Life Policy Counsel
National Association of Insurance Commissioners
444 North Capitol Street, NW Suite 701
Washington DC 20001

RE: Recommendations for updates to the NAIC Managed Care Plan Network Adequacy Model Act of 1996

Dear Mr. Wieske and Ms. Matthews:

The Michigan Health & Hospital Association, which represents all of Michigan’s acute care hospitals and thousands of hospital-employed physicians, welcomes the opportunity to comment on the National Association of Insurance Commissioners (NAIC) draft update to the NAIC’s 1996 Managed Care Plan Network Adequacy Model Act (Model Act). The issue of network adequacy has been of significant concern to Michigan hospitals for many years. As the health care delivery system continues to change and restructure, the issue of network adequacy is front and center for MHA members.

The MHA endorses the American Hospital Association’s letter and detailed recommendations on the Model Act dated January 12, 2015. The AHA’s comments reflect that concerns of Michigan hospitals, especially with respect to provider obligations in contract terminations.

In addition to the AHA comments, the MHA offers these specific concerns which were shared by one of our members:

- In general, we would like to see maximum access for the safety and well-being of all patients and the least possible confusion between patients, providers, and insurers regarding coverage.
- We concur with the addition of pharmacists in the definition of providers.
- In section 5 “Network Adequacy” the first drafting note refers to tiers of coverage. It is difficult enough for patients to understand the details of their coverage without tiers of providers and coverage levels. Patients rarely even know for sure what, if any, amount they will be personally responsible for with any test or procedure when they have a plan without tiers. Deductibles, co-pays, HRAs, and other plan design features have become increasingly complex over the years, and tiers increase that complexity exponentially. While it may not be feasible to prohibit tiers, there should be stringent requirements to make it very clear to consumers what the coverage differences are in advance.
In section 5, B (7), it references telemedicine and telehealth as factors in determining network sufficiency. While we are all excited about the possibilities to improve care via telemedicine and telehealth, they cannot replace or count as in-person providers within a reasonable geographic distance.

- In section 5, B drafting note, specific quantitative standards should be encouraged as much as possible, to avoid confusion and increase the efficiency of compliance.
- Section 5, C (2), is good, but we would also add to (a) that distance should count as well, even for a primary care provider.

The Model Act product of the NAIC Subgroup represents diligent and comprehensive work by both the Subgroup members and the NAIC staff. The MHA deeply appreciates the seriousness of this effort as well as the extensive opportunities for participation in the process of developing the new Model Act. The MHA will continue to follow the discussion of this Model Act. If you have any questions about the comments in this letter, please contact me at lappel@mha.org at your convenience.

Sincerely,

Laura Appel
Senior Vice President, Strategic Priorities