January 12, 2015

The Honorable Theodore K. Nickel
Wisconsin Commissioner of Insurance
Chair, Regulatory Framework (B) Task Force
National Association of Insurance Commissioners (NAIC)
444 North Capitol Street, NW
Suite 700
Washington, DC 20001

Dear Commissioner Nickel:

On behalf of the National Community Pharmacists Association (NCPA) I would like to submit the following comments and suggestions as the NAIC continues the process to revise its 1996 Managed Care Plan Network Adequacy Act (Model Act #74)

NCPA represents the interests of America’s community pharmacists, including the owners of nearly 23,000 independent community pharmacies. Together they represent an $88.8 billion health care marketplace, dispense nearly 40 percent of all retail prescriptions, and employ more than 300,000 individuals, including over 62,000 pharmacists.

**Overly Narrow Provider Networks Deprive Patients of “Meaningful Access to Care”**

The health insurance marketplace has changed dramatically since the NAIC adopted its Network Adequacy Act in 1996. Since the passage of the Affordable Care Act (ACA) in 2010, and in preparation for the market reforms that took effect in 2014, insurers have used network design to lower costs. The use of narrower networks as a mechanism to reduce premiums is not new, and it is not limited to plans in the new insurance marketplaces. Many insurers have responded to the ACA’s requirements and evolving marketplace by offering health plans with lower premiums in exchange for more limited access to health care providers. There has been vocal consumer backlash in response to these narrow networks. The California Department of Managed Health Care alone has reported receiving more than 200 complaints from patients having difficulty getting access to a healthcare provider, and on January 5, Insurance Commissioner Dave Jones issued emergency regulations to strengthen the state’s provider network requirements.

State regulators in California recently found that 12.5 percent of the physicians listed in the Anthem Blue Cross provider directory for exchange plans had inaccurate locations and 13 percent did not take patients who had Anthem’s exchange plans even though they were listed as in-network. The state’s investigation of Blue Shield found that 18.2 percent of doctors in the plan directory were not located
where the insurer said they were, and 9 percent of doctors were not willing to accept patients who had Blue Shield’s Covered California plans.


- Establish quantitative standards for meaningful, reasonable access to care, such as minimum provider-to-enrollee ratios and distance standards that require access to network providers within a reasonable distance from the enrollee’s residence.
- Ensure consumers are provided sufficient information to identify and select between broad, narrow or ultra-narrow networks, and in areas without sufficient choice, require health plans to offer at least one plan with a broad network or an out-of-network benefit.
- State Departments of Insurance (DOI) should evaluate the methods used to educate consumers on the ability to file complaints and identify ways to improve outreach to consumers to ensure they are fully informed of the complaint process.
- Require health plans to submit and receive approval from DOI of access plans to ensure consumers are adequately protected from network deficiencies.
- Require all health plans, not just Qualified Health Plans (QHPs), to include access to Essential Community Providers.
- Require health plan provider directories to be updated regularly, publicly available for both enrolled members and individuals shopping for coverage.
- Establish requirements guaranteeing continuity of care for individuals who are in the midst of an episode of care and their provider is dropped from, or leaves, the network or is moved to a higher cost tier.
- Create special enrollment periods to allow individuals to move to a new health plan when they rely on erroneous information published in a health plan’s provider directory or a covered person is in the midst of a course of treatment and loses access to their specialty care provider or facility.
- Require health plans to make information publicly available in a prominent position on their website.
- States should not rely solely on health plan accreditation as a substitute for demonstrating network adequacy compliance, but should supplement accreditation with additional standards.

Adequate Access to Pharmacy Care Services and Prescription Medications Are Critical to Stave Off Costly Downstream Medical Interventions

The issue of network adequacy is crucial for consumers and the health care delivery system itself. Particularly with regard to pharmacy care services, adequate and convenient access to pharmacy care services and prescription medications are critical to stave off costly downstream medical interventions. Community pharmacies represent the most accessible point in patient-centered health care, where consumers typically do not need an appointment to talk with a pharmacist about prescription medication, over-the-counter product or any other health-related concern. In this way, many times
Pharmacists serve as safety net providers—and may be able to fill gaps in many community health care communities.

While access to health insurance is critical—there must also be an adequate number of providers to serve these new patients in order for the health coverage to be meaningful. In addition, it is important to remember that the insurance marketplaces are going to be utilized mainly by a demographic that has had little or no access to health insurance, and in turn, access to health care services or prescription drug therapies. Therefore, this is a population that is likely to need a myriad of services immediately upon obtaining coverage. This is especially critical with regard to access to pharmacy care services. The New England Healthcare Institute (NEHI) has estimated that medication-related problems, including poor medication adherence, impose as much as $290 billion in annual costs, or 14 percent of healthcare expenditures. These costs include emergency room visits, hospitalizations, and other preventable forms of care. Ensuring adequate access to prescription medications can stave off many of these costly downstream interventions and provide an excellent return on investment.

A recent study by Avalere Health found that “the evidence around pharmacists’ impact on clinical and economic outcomes is growing, and overall, points to improving therapeutic outcomes and reducing costs,” and notes that “continued research that clearly reports the specific pharmacist services ... and the impact these services have on outcomes and healthcare costs” can help to further inform policymakers and healthcare providers. This is especially true as the healthcare environment continues to evolve with the advent and rise of new collaborative care models of delivery such as patient-centered medical homes and Accountable Care Organizations.

**NCPA Recommends States Should Consider As A Minimum Standard, the TRICARE Retail Pharmacy Access Requirements**

In light of the critical importance of timely and convenient access to pharmacy care services and the fact that access to needed medications can stave off the need for medical interventions, NCPA recommends that NAIC consider incorporating the TRICARE retail pharmacy access standards. Under the Department of Defense TRICARE program, prescription drug benefit plans are required to secure the participation of a sufficient number of pharmacies (not including mail service) in their pharmacy networks to ensure convenient beneficiary access. These standards require a certain percentage of beneficiaries to live within a specified number of miles of a retail pharmacy based on whether they reside in an urban, suburban or rural area. In urban areas, at least 90 percent of beneficiaries on average must live within two miles of a participating retail pharmacy; in suburban areas, at least 90 percent of beneficiaries on average live within five miles of a participating retail pharmacy; and in rural areas, at least 70 percent of beneficiaries on average must live within fifteen miles of a participating retail pharmacy.

In addition, under current Medicare Part D standards, pharmacy networks must be at least as inclusive as those required under the TRICARE program. The TRICARE program as well as the Part D program recognize the fact that adequate access to retail pharmacy services are essential and must be evaluated based on the beneficiaries location in either an urban, suburban or rural area. Ideally, states
should allow all pharmacies that wish to participate be included in the network and consider the TRICARE retail pharmacy access requirements as a minimum threshold for network adequacy.

**NCPA Recommends that Plans Provider Detailed Information to Potential Beneficiaries About the Use of Narrow Provider Networks**

NCPA would further recommend that plans provide detailed information about the use of narrow provider networks in certain plans, and the practical impact that this may have on beneficiaries in terms of travel times necessary to access needed services. This could be easily communicated by indicating the number of eligible providers that are located in a particular zip code. This is critical particularly when dealing with pharmacy networks. Pharmacy care services are typically utilized more frequently than other types of providers and convenient access may be of greater import than for services obtained from a medical specialist. In addition, this type of information would ensure that potential beneficiaries are aware of the practical implications of utilizing their health coverage and what, if any, compromises or trade-offs they may be acquiescing to when choosing a particular plan over another.

**Conclusion**

NCPA greatly appreciates the opportunity to provide these comments and suggestions, and we look forward to providing more detailed recommendations as the development of the draft model continues.

Sincerely,

Susan Pilch
Vice President, Policy and Regulatory Affairs

cc: Members of the NAIC Health Insurance and Managed Care (B) Committee
Members of the NAIC Regulatory Framework (B) Task Force
Members of the NAIC Network Adequacy Model Review Subgroup
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