PAI Recommendations for Amendment to First Revision Draft of the NAIC Managed Care Network Adequacy Model Act

January 11, 2015

Add New Sections 8 D and F:

D. Submission of contracted provider data to regulators. Health carriers must submit participating provider information to state regulators in prescribed electronic format at a regular interval, no less than weekly. In addition to the information included in the provider directories, this should include valid email addresses for every physician/provider listed in the directory to facilitate direct testing via electronic means, such as enabling a state software program to generate a randomized verification sample.

E. Enforcement.

1. The Commissioner shall adopt, through rulemaking, regulations that establish a process for oversight for health carrier compliance with the standards set for in Sections 8A-C and shall include specific penalties for failure to ensure accuracy in the information required in these sections. In adopting rules to ensure compliance, the Commissioner shall consider the following mechanisms including but not limited to:

   a. Regular internal audits with findings submitted to state regulator.

   b. External audits to certify accuracy, or on an ad hoc basis as the result of complaint trends or a failed verification sample.

   c. Mechanisms for “secret shopping” and spot-checking by state regulators or contracted entities to identify inaccuracies and/or potential access problem areas.

   d. A closely monitored consumer complaint process to trigger state review and publicly report on complaint volume and trends, among other things. Such a process should also be accompanied by a consumer education campaign to ensure that consumers understand that access issues should be reported.
e. A mechanism for comparing the submitted contracted provider data against the universal provider data source (UPD).

f. Automated verification if a physician or health care provider hasn’t submitted claims for a plan’s beneficiaries within six months or other time frame as identified by the state.

2. The Commissioner shall adopt penalties for noncompliance with directory accuracy standards. In the event that a patient relies on an inaccurate listing in a provider directory, the health carrier shall hold the beneficiary harmless for any additional expenses incurred.

Note: IF THESE RECOMMENDATIONS ARE ADOPTED THE FOLLOWING DRAFTING NOTE IN THE REVISION DRAFT IS UNNECESSARY:

g. Drafting Note: In addition to requiring health carriers to update their provider directories at least monthly, to help improve the accuracy of the directories, states could consider the following: 1) a requirement that health carriers in some manner, such as through an automated verification process, contact providers listed as in network who have not submitted claims within the past six months or other time frame a state may feel is appropriate, to determine whether the provider still intends to be in network; 2) a requirement that health carriers internally audit their directories and modify directories accordingly based on audit findings to assess: a) whether their contact information is correct, b) whether they are really in the plan’s network; and c) whether they are taking new patients; and 3) closely monitoring consumer complaints.