Why are Exchanges Important to Hospitals?

- Exchanges will affect health plan-provider contracts and relationships
- Exchanges are important to the longstanding work of hospitals to help uninsured patients gain access to health coverage
Areas of Concern

- Network Adequacy Standards
- Definition of Essential Community Providers
- Clarification of Essential Health Benefits
- Provider and Consumer Representation in Governance and Oversight
- Administrative Burden

Network Adequacy

- Need strong network standards for Qualified Health Plans (QHP)
- Standards must be clear, with measurable parameters that reflect population and area served
- Should demonstrate sufficient capacity at certification and throughout
- Avoid “shadow” networks that promise access but providers cannot or will not accept new patients
**Network Adequacy**

**Recommendations**

- Ensure sufficient numbers, mix and geographic distribution of providers
- Require plans to notify hospitals and consumers when provider panel changes
- Give enrollees list of participating providers prior to enrollment to enable more informed choices

**Essential Community Providers**

- States need flexibility to determine essential community providers to ensure access to health care services, especially for vulnerable populations
- Eligibility criteria should be based on population’s health care needs
Essential Benefits

Important that definition of “treatment” include broad range of services that adhere to accepted professional guidelines based on three-pronged approach:

- Are the benefits responsive to the individual's needs?
- Do the benefits take affordability into account?
- Are the benefits easily understood and transparent?

Essential Benefits

Recommendations

- Consistent definition of “medical necessity” to ensure responsiveness to individual's needs
- Standard baseline of benefits for all plans with affordability governed by cost sharing
- Clearly stated, transparent rules and decision processes for essential benefits, medical necessity and pre-authorization
Governance and Oversight

- Stakeholder perspective important for critical operational decisions
- States should include providers as voting members of exchange’s governing body
- Provider participation adds needed expertise for treatment and coverage options

Administrative Burden

- Reduce health care costs by eliminating duplicative and excessive administrative burdens
- Need transparent claims processes to ensure prompt and accurate payments for entire network of providers
- Clearly articulate out-of-network provider processes and monitor utilization by enrollees
Other State Concerns

- How will Medicaid enrollment and subsidies be addressed?
- What are the financing and sustainability strategies?
- How will subsidies be calculated under federal or hybrid options?
- Will large insurers dominate new markets or impede competition?

Thank You

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