

December 1994

Information Brief

Randall Chun, Legislative Analyst
296-8639
(For copies, call 296-6753)

Expanded Provider Network Requirements

This information brief describes the expanded provider network provision enacted as part of the 1994 MinnesotaCare Act (Laws of Minnesota, Chapter 625, Article 1, section 6). This provision requires certain health plan companies to accept all qualified allied independent health providers as network providers, and to offer enrollees the option of receiving services from these providers.

General Requirement

The expanded provider network provision of the 1994 MinnesotaCare Act requires non-exempt health plan companies to establish expanded networks of allied independent health care providers, and to offer enrollees the option of receiving services through these expanded networks (Minnesota Statutes, section 62Q.095). The intent of the provision is to allow any qualified provider to serve patients enrolled by the health plan company, even if the provider is not part of the company's preferred network of providers. Provisions of this type are sometimes referred to as "any willing provider" requirements.

The term "health plan company" includes health maintenance organizations, integrated service networks, community integrated service networks, nonprofit health service plan corporations, commercial insurers, and other entities.

The expanded network requirements apply only to health plan companies that:

- (1) have more than 50,000 enrollees;
- (2) use a preferred network that includes allied independent health care providers to deliver care to enrollees; and
- (3) do not operate as staff model health plan companies. A staff model health plan company is one that employs, rather than contracts with, its providers.

Exemptions

Community integrated service networks are exempt from the expanded network requirement because they are initially limited to an enrollment of 50,000 or under. Health plan companies that do not operate preferred networks that include allied independent health care providers are also exempt, as are staff model health plan companies to the extent that they operate as staff model health plan companies by employing allied independent health care providers. The expanded network requirement does not apply to the Medicare, Medical Assistance, General Assistance Medical Care, and MinnesotaCare programs.

Definition of Allied Independent Health Care Provider

"Allied independent health care provider," as defined in the law, includes the following types of health care professionals:

- audiologist
- chiropractor
- dietician
- home health care provider
- licensed marriage and family therapist
- nurse practitioner or advanced practice nurse
- occupational therapist
- optometrist
- optician
- outpatient chemical dependency counselor
- pharmacist who is not employed by and based on the premises of a health plan company
- physical therapist
- podiatrist
- licensed psychologist
- psychological practitioner
- licensed social worker
- speech therapist

To be subject to the expanded network requirement, health care providers must be "independently enrolled"—they must be able to bill, and receive direct payment for services from, a third-party payer or patient.

Network Establishment and Provider Requirements

Non-exempt health plan companies are required to establish an expanded network of allied independent health care providers. A health plan company must include in this expanded network the same provider types that it includes in its preferred network.

A health plan company must allow into the expanded network any allied independent health care provider who:

- (1) meets the health plan company's credentialing standards;
- (2) agrees to the terms of the health plan company's provider contract; and
- (3) agrees to comply with all managed care protocols of the health plan company.

A preferred network is considered to be an expanded network if all allied independent health care providers who satisfy clauses (1) to (3) above are accepted into the preferred network.

The managed care protocols used by health plan companies for the expanded network may include:

- (1) a requirement that an enrollee obtain a referral from the health plan company to receive services from an allied independent health care provider;
- (2) limits on the number and length of visits to providers; and
- (3) ongoing management and review by the health plan company of the care provided by allied independent health care providers in the expanded network.

The protocols used in the expanded network may not be more stringent than those used in the preferred network.

Required Offering to Enrollees

Health plan companies must offer enrollees the option of receiving covered services through the expanded network. For group plans, the choice must be offered to each enrollee; the employer or group sponsor cannot make this choice for the entire group. The expanded network option may be offered as a separate health plan with separate premium rates and cost-sharing requirements. The separate premium rates and cost-sharing requirements must be actuarially justified and approved by the Commissioner of Health.

Provider Reimbursement

Health plan companies are required to pay allied independent health care providers in the expanded network the same rate per unit of service that is paid to that type of provider in the preferred network.

RECEIVED

FEB 28 1995

LEGISLATIVE REVENUE LIBRARY
STATE OFFICE BUILDING
ST. PAUL, MN 55155

Effective Date

The expanded network requirement is effective January 1, 1995. The requirement applies to health plans issued or renewed on or after that date. An exception is made for health plans governed by collective bargaining agreements of the Department of Employee Relations and the University of Minnesota; the requirement is effective January 1, 1996, for those agreements.

Questions about the Provision

The Department of Health is the state agency responsible for enforcing the expanded network provision. Questions can be addressed to the department at (612) 282-5600. The department's Administrative Bulletin 94-2 (August 25, 1994) clarifies several issues related to the provision.