



# Network Adequacy in Managed Care

**Medicaid and CHIP Payment and Access  
Commission**

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# Presentation overview

- Background and context
- Federal network oversight standards
- Approach
- Findings

# Background and context

- Commissioners have raised questions about the adequacy of managed care oversight
- Centers for Medicare & Medicaid Services (CMS) is considering two regulatory actions that could affect oversight of access to care
- Several oversight provisions of current rules went into effect in 2018

# Federal standards for Medicaid managed care network oversight

- Develop network adequacy standards and access requirements for various provider types
- Require managed care organizations (MCOs) to document compliance with network standards
- List network adequacy standards and access requirements in the state quality strategy
- Make the standards publicly available online
- Monitor service availability and accessibility
- Impose sanctions if necessary

# Approach

- Collect and review publicly available state network oversight documents
- Determine how states:
  - make network adequacy standards publicly available
  - define adequacy and access standards and metrics
  - stipulate requirements in MCO contracts
  - monitor provider networks and access
  - enforce contracts, respond to deficiencies
- Searched for information on 20 states of the 42 with comprehensive managed care

# Availability of state quality strategies and network standards

- States are required to make key program documents available online
  - Managed care program network adequacy standards
  - State quality strategy (including network standards)
  - MCO base or model contract
- Staff located documents for 14 of 20 states
  - Few states have standalone network standards
  - All states have a draft or final quality strategy
  - Some provide a model contract while others post copies of actual MCO contracts; in a few states we could not locate any version of the MCO contract

# Network adequacy and access standards

- States use multiple provider network standards
  - Time and distance (required), with separate urban/rural limits
  - Provider-to-member ratios, esp. for primary care
  - Appointment scheduling and wait time standards
- Very few states included metrics or standards to measure access or network adequacy
- Most states described network oversight in terms of contract compliance and access monitoring in terms of visits, clinical outcomes

# Contract requirements

- States require MCOs to submit a variety of network adequacy reports
  - Complete network files
  - Provider participation reports
  - Provider termination lists
- Network adequacy indicators may be included in other required reports (e.g., complaints)
- Many states require MCOs to develop a comprehensive network development plan



# Monitoring procedures

- States must validate compliance, monitor access, and oversee MCO performance
- States use multiple methods to monitor MCOs
  - Review MCO-supplied data and reports
  - Conduct or require MCO to conduct surveys
  - Validate networks as part of external quality review
  - Use geocoding software to assess time and distance
  - Verify compliance with timeliness standards
- Contracts and quality strategies did not generally include performance metrics

# Enforcement mechanisms

- States have several enforcement mechanisms
  - Corrective action
  - Fines, liquidated damages, civil monetary penalties
  - Intermediate sanctions (e.g., enrollment suspension)
  - Sanctions (e.g., contract termination)
- Most states do not provide specific enforcement mechanisms for failure to meet access standards or report network data
- About a third of states specify financial penalties for access or network reporting failures

# Summary of findings

- It is difficult to locate many documents online despite federal transparency requirements
- State contracts and quality strategies describe program expectations but do not say how information is used for monitoring or oversight
- Lack of performance metrics makes it difficult to understand what level of deficiency triggers corrective action or contract sanctions
- Further discussion with states and stakeholders could provide a more fulsome picture



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