

Joint Medicaid Oversight Committee

Network Transparency

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Chairwoman Sears, members of the committee, my name is Carrie Haughawout. I am the Assistant Director of Policy and Product Coordination at the Ohio Department of Insurance. On behalf of the Lt. Governor, thank you for the invitation to provide an overview of a new rule that the Department is proposing related to transparency for insurance companies' provider directories. We appreciate the opportunity to provide an impression of what we have seen in the health insurance market over the past year, as well as our goals regarding this new rule.

In fulfilling our responsibilities to monitor the insurance market and to assist consumers, especially given the rapidly changing health insurance market, we have been actively monitoring consumer complaints regarding health insurance. The Department maintains a specific unit dedicated to assisting consumers with insurance information, inquiries and complaints. This division assists consumers with information on all lines of insurance, including health insurance. In 2014, our consumer services division took 2,894 health related complaints, up about 30% from the 2,214 health complaints received the previous year. Throughout the past year, our staff has been watching for trends regarding the complaints that we receive and began to see what we believe to be an increase in complaints related to the provider networks that health insurance companies use.

For consumers using providers outside the network, costs can be significantly higher than the same procedure or service using an in-network provider. Some of you have probably experienced firsthand – or know someone that has experienced – what it's like to check with your insurance company for a doctor in the network, receive the care or service prescribed only to find out that one of the doctors that treated you along the way was out of your network resulting in substantial cost to you.

With more health insurance coverage requirements as a result of the Affordable Care Act, the Department has seen health insurers narrow their networks as a means to control costs and keep the price of health insurance down. As a supporter of free markets and innovative solutions when it comes to keeping the cost to consumers down, the Lt. Governor believes that Ohioans should have a range of options available from which to choose the health insurance that best suits their needs. That being said, consumers also have a right to know as they shop what providers are included in the health insurance plans' networks.

To address this and promote transparency, the Department is proposing new requirements to ensure that this critical network information is up-to-date and easily accessible to consumers. Our network transparency proposal ensures consumers have the information they need when shopping for a health insurance plan. We are working to protect the consumer's right to know what doctors and hospitals are in their network while holding insurance companies accountable for providing accurate information in a timely and appropriate manner.

The rule focuses on common sense things like requiring the insurance companies to maintain a provider directory and to make it available on their website, as well as specifying the type of information that

should be included in a directory and timelines for keeping the directory up to date. Insurers need to be able to produce a paper copy if requested by an enrollee. In addition, the directory should display the most recent date it was updated, must ensure that the name of the networks are easily distinguishable – including being able to match the appropriate network to the plan it goes with, and cannot require a group ID or login to use. Most importantly, however, the rule holds insurers accountable for keeping their directories up to date by prohibiting them from charging the consumer any increased financial liability if their directory is not current.

This rule was filed with and was recently approved by the Common Sense Initiative. The Department is moving to the next step in the process and filed with JCARR yesterday - with a target implementation date of January 1, 2016.

Though we believe this is an important step towards encouraging consumerism and promoting transparency, we understand that consumers will continue to face challenges in understanding network information and what health care services will ultimately cost. We are committed to ensuring consumers have access to appropriate network and cost information to make informed decisions and will continue to assess whether additional action by the Department is necessary.

We hope we were able to provide helpful information about what our agency is doing to address one small aspect of this issue, as you consider broader proposals about transparency in the health care arena.

Thank you again for this opportunity. I'd be happy to address any questions you may have.