Assessing Network Adequacy in the Medicare Advantage Program

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Danielle Moon, J.D., M.P.H.
Director, Medicare Drug & Health Plan Contract Administration Group
Introduction

Effective with Application Cycle for the 2011 contract year, changes in review of Medicare Advantage network adequacy

- Use of access criteria standardized by provider/facility type and geographic designation
- Review of network submission done largely through automated process
- Criteria and background discussion posted at http://www.cms.hhs.gov/MedicareAdvantageApps/
Networks must meet two critical adequacy criteria:
- minimum number of providers/beds
- time/distance requirements

Required number of providers based on market share assumptions for new applicants.
Exception requests considered under limited circumstances, if supported by appropriate documentation.

Not intended to standardize network approaches or limit innovation, just to ensure adequate access for enrollees.
Network Criteria Development

- Average distances and travel times determined using geo mapping tool
  - Track beneficiaries to closest provider of each specialty type
  - 90% of network must meet time/distance requirements
- Geographic areas categorized as metro, micro, rural and large metro locations
- Average number of enrollees calculated as the 95th percentile of MA plans’ market penetration in that category of geographic area
  - i.e., 95% of all MA plans in that category of geographic area have county penetration rates equal to or less than the established rates
Benefits of the Standardized Criteria & Automated Review Process

- Standardizes process for reviewing information while allowing for exceptions to the network adequacy criteria
- Increases transparency in procedures and review criteria
- Takes into account differences in utilization, patterns of care, and supply of providers in urban and rural areas
- Improves evaluation of beneficiary access to providers
- Allows CMS staff to focus on exceptions requests and other sections of the MA application
Provider Network Criteria

- Criteria vary by
  - specialty type (e.g., cardiology, ophthalmology) and
  - geographic area (e.g., metro, rural)
- For each provider type for each category of geographic area, criteria are set for
  - Minimum number of providers
  - Maximum travel distance to the closest provider
  - Maximum travel time to a provider
### Examples of Network Adequacy Criteria

#### PCP Criteria

<table>
<thead>
<tr>
<th>County</th>
<th>County Type</th>
<th>Minimum # of Req’d Providers</th>
<th>Maximum Time</th>
<th>Maximum Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fayette, TX</td>
<td>Rural</td>
<td>1</td>
<td>45 minutes</td>
<td>25 miles</td>
</tr>
<tr>
<td>McLeod, MN</td>
<td>Micro</td>
<td>1</td>
<td>20 minutes</td>
<td>15 miles</td>
</tr>
<tr>
<td>Jefferson, CO</td>
<td>Metro</td>
<td>15</td>
<td>20 minutes</td>
<td>10 miles</td>
</tr>
<tr>
<td>Nassau, NY</td>
<td>Large Metro</td>
<td>26</td>
<td>20 minutes</td>
<td>5 miles</td>
</tr>
</tbody>
</table>

#### General Surgery Criteria

<table>
<thead>
<tr>
<th>County</th>
<th>County Type</th>
<th>Minimum # of Req’d Providers</th>
<th>Maximum Time</th>
<th>Maximum Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fayette, TX</td>
<td>Rural</td>
<td>1</td>
<td>60 minutes</td>
<td>60 miles</td>
</tr>
<tr>
<td>McLeod, MN</td>
<td>Micro</td>
<td>1</td>
<td>30 minutes</td>
<td>30 miles</td>
</tr>
<tr>
<td>Jefferson, CO</td>
<td>Metro</td>
<td>3</td>
<td>20 minutes</td>
<td>20 miles</td>
</tr>
<tr>
<td>Nassau, NY</td>
<td>Large Metro</td>
<td>5</td>
<td>20 minutes</td>
<td>5 miles</td>
</tr>
</tbody>
</table>
Methodology and Reference Tables

- Providers/facilities need not be located within the boundaries of the county being served.

- Feasibility of criteria has been successfully tested against a sample of over 12 million beneficiaries across 97 metropolitan statistical areas.
Exceptions

- May be requested under limited circumstances when Applicant does not meet network criteria
- Request is by individual provider type by county
- Select from a pre-defined list of allowable exceptions
  - Must submit supporting documentation for each provider/facility type for which an exception is requested
- Applicants are required to contract with available providers in the service area
Benefits of the Formal Exceptions Process

- Allows for network model of care proposals that differ from that under the standardized criteria
- Ensures exceptions are granted uniformly across the country
- Provides clear guidance to applicants on what types of exceptions are allowed by CMS
- Ensures that all applicants are submitting the same types of documentation
- Provides consistency for CMS reviewers in reviewing requests and documentation
Exception Categories

1. Insufficient number of providers/beds in service area
2. No providers/facilities that meet the specific time and distance standards in county/surrounding area
3. Pattern of care in county does not support need for the requested number of provider/facility type
4. Services to be provided by an alternate (qualified) provider type
5. Alternative arrangements for Regional PPOs (only applies to RPPOs)

**Applicants must still ensure access to all Medicare services**
Industry/Provider Concerns

- Downstream contracting, e.g., hospital based providers
- Pushing other issues into exceptions process, e.g., submitting exceptions where still contracting
- Concerns re: “unique” network and treatment approaches
Recent Clarifications

- February 12, 2010 – Exception requests should be submitted in good faith, not to protect against:
  - potential failure to secure sufficient numbers of available providers or facilities in a particular county or
  - submission of unrecognizable provider/facility addresses
- February 11, 2010 – System methodology for measuring network adequacy, including address analysis and geocoding, beneficiary census data file and time and distance calculations
  - Sample beneficiary census file posted on HPMS
- January 27, 2010 – FAQs on HSD Submissions including provider/facility address format
Looking Forward

• Expand network adequacy assessments to
  • Current contractors
    • Perennial review
  • Employer/Union Group products

• Rely on audits to ensure validity of application submissions
Contact Information

Danielle Moon, J.D., M.P.H.
Director, Medicare Drug and Health Plan Contract Administration Group
410-786-5724
Danielle.Moon@cms.hhs.gov

Helaine I. Fingold, J.D.
Team Lead, Contracts and Applications
MCAG/DMAO
410-786-5014
Helaine.Fingold@cms.hhs.gov