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Bulletin 14-005

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Network Adequacy Standards for Certain Health Benefit Plans - 2015 Transitional Year

Nevada Revised Statute ("NRS") 687B.490 vests in the Commissioner of Insurance ("Commissioner") the authority to determine the adequacy of provider networks to be used by network plans made available for sale in this State. A permanent regulation, filed with the Legislative Counsel Bureau as proposed regulation R049-14, is being deliberated to interpret and clarify the provisions of NRS 687B.490. The Commissioner recognizes that proposed regulation R049-14 may still be several weeks or months away from adoption and, when adopted, may deviate significantly from its present form. The Commissioner also recognizes that insurance carriers offering health benefit plans utilizing a network plan will possibly be required to submit their plans and rates for approval prior to the adoption of proposed regulation R049-14.

To resolve this potential timing disparity, the Commissioner is declaring calendar year 2015 to be a "transitional" year with regards to network adequacy. Insurance carriers will not be expected to retroactively meet the requirements of proposed regulation R049-14 when it is adopted. Instead, the Commissioner intends to use the enclosed standards when evaluating the adequacy of provider networks in 2015 calendar year plans.

Bulletin 14-005 and the enclosed standards are intended to apply to all health benefit plans in the individual and small group markets, as defined in NRS 689A and 689C, respectively, utilizing a network plan and issued or renewed on or after January 1, 2015.

SCOTT J. KIPPER
Commissioner of Insurance

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Network Adequacy Standards

Section I. A carrier that offers health coverage through a network plan shall use best efforts to maintain each plan provider network in a manner that is sufficient in numbers and types of health care providers, including providers that specialize in mental health and substance abuse services, to assure that all health care services to covered persons will be accessible without unreasonable delay. Each covered person shall have adequate choice among each type of health care provider. In the case of emergency services, covered persons shall have access 24 hours a day, 7 days a week. A carrier shall monitor, on an ongoing basis, the ability and clinical capacity of its network providers and facilities to furnish health care services to covered persons. Provider directories shall be updated on-line and filed with the Division of Insurance in SERFF no less than every 60 days.

Section II. Each carrier shall confirm that its network(s) will meet these requirements by January 1, 2015, and at all times thereafter. A declaration form of compliance with network adequacy standards will be required to be signed by an officer of the company and submitted to the Commissioner of Insurance ("Commissioner") on or before November 14, 2014. *A declaration form can be obtained on the Division of Insurance website.* Each carrier shall submit the "Plans and Benefits Template", "Network Adequacy Template", "Network Template", "ECP Template", "Service Area Template" and "Member Data Call Spreadsheet" for all network plans. The templates and spreadsheet are to be submitted in a SERFF Binder. Validated templates may be submitted under the Templates tab. Unvalidated templates and documents must be submitted under the "Supporting Documents" tab.

A carrier shall use best efforts to provide notice of any significant change in the network to the Commissioner within 45 days of the change taking effect. If the significant change results in a deficiency in the network, the notification must include a corrective action plan by the carrier to resolve the deficiency. Failure to provide such notification may lead to the suspension or termination of the network plan and any accompanying consequences. Additionally, an administrative fine may be assessed for each violation. The carrier shall have the right to appeal the decision and submit a corrective action plan to the Commissioner for consideration.

Section III. In any case where the carrier has an absence of or an insufficient number or type of participating providers or facilities to provide a particular covered health care service, the carrier shall use best efforts to ensure through referral by the primary care provider, or otherwise, that the covered person obtains the covered service from a provider or facility within reasonable proximity of the covered person at no greater cost to the covered person than if the service were obtained from network providers and facilities, or shall make other arrangements acceptable to the Commissioner.

Section IV. Each carrier shall use best efforts to establish and maintain adequate arrangements to ensure reasonable proximity of network providers and facilities to the business or personal residence of covered persons. Carriers shall make reasonable efforts to include providers and facilities in networks in a manner that limits the amount of travel required to obtain covered benefits. In determining whether a

carrier has complied with this provision, the Commissioner will give due consideration to the relative availability of health care providers or facilities in each geographic area using standards that are realistic for the community, the delivery system and clinical safety. Relative availability includes the willingness of providers or facilities in the geographic area to contract with the carrier under reasonable terms and conditions.

Section V. The carrier shall disclose to all covered persons that limitations or restrictions to access of participating providers and facilities may arise from the health care service referral and authorization practices of participating providers and facilities. The carrier shall provide instructions to covered persons as to how they can receive details about such practices from their primary care provider or through other formally established processes.

Section VI. A health benefit plan seeking certification or recertification as a Qualified Health Plan shall use best efforts to maintain arrangements that ensure that American Indians and Native Alaskans who are covered persons have access to Indian health care services and facilities that are part of the Indian Health Care System (IHS). Carriers shall ensure that such covered persons may obtain covered services from the IHS at no greater cost to the covered person than if the service were obtained from network providers and facilities. Carriers are not responsible for credentialing providers and facilities that are part of the IHS. A carrier may use the HHS Standard Indian Addendum when contracting with Indian providers. Nothing in this subsection prohibits a carrier from limiting coverage to those health care services that meet the standards for medical necessity, care management, and claims administration, or from limiting payment to that amount payable if the health care service were obtained from a network provider or facility.

Section VII. All health benefit plans shall use best efforts to have a sufficient number and geographic distribution of Essential Community Providers (ECPs), where available, to ensure reasonable and timely access to a broad range of such providers for low-income, medically underserved individuals in the geographic area. Sufficient number and geographic distribution is defined as at least 30 percent of available ECPs in the plan's geographic area participating in the carrier's provider network with at least one ECP in each category, as defined in Table 2.1 of the "2015 Letter to Issuers in the Federally-facilitated Marketplaces", issued by the Center for Consumer Information and Insurance Oversight on March 14, 2014. A narrative justification must be included as part of the Qualified Health Plan application; or carriers that provide a majority of covered services through employed physicians or a single contracted medical group must have the equivalent number of provider locations in Health Professional Shortage Areas and low-income ZIP codes. You can find a non-exhaustive list of ECPs for Nevada at: https://data.cms.gov/dataset/Non-Exhaustive-List-of-Essential-Community-Provide/ibqy-mswq

Section VIII. Adequacy of choice may be established by the carrier with reference to any reasonable criteria used by the carrier, including but not limited to: Provider-to-covered-person ratios by specialty, primary-care-provider-to-covered-person ratios, geographic accessibility, waiting times for appointments with participating providers, hours of operation, and the volume of technological and specialty services available to serve the needs of covered persons requiring technologically advanced or

specialty care. Any exceptions or deviations from the standards identified below (ratios and geographic accessibility) must be approved by Commissioner.

Section IX. Participating Provider Availability and Accessibility Standards

Accessibility standards have been developed to address the fact that population density in the carrier's geographic area varies from one defined market region to another. One set of standards for each type of geographic area (urban, rural, or frontier) will be addressed separately for each category. Each carrier must demonstrate that its network meets the established time and distance requirements. Carriers will be held accountable for meeting the standards described below.

PCP and OBGYN ACCESSIBILITY STANDARDS*

Minimum Number of Providers with Specialties	***Ratio***
Internal Medicine, General Practice and Family Practice	1 provider for every 2,500 covered persons
OBGYN	1 provider for every 2,500 covered persons NOTE: Number of covered persons based on female membership ages 14 and over.
Pediatrics	1 provider for every 2,500 covered persons NOTE: Number of covered persons based on membership ages 18 and under.

Geographic Areas by County	***Maximum Travel, Distance or Time***
URBAN COUNTIES	
Carson City	45 miles or 45 minutes
Clark	45 miles or 45 minutes
Washoe	45 miles or 45 minutes
RURAL COUNTIES	
Douglas	60 miles or 1 hour
Lyon	60 miles or 1 hour
Storey	60 miles or 1 hour
FRONTIER COUNTIES	
Churchill	100 miles or 2 hours
Elko	100 miles or 2 hours
Esmeralda	100 miles or 2 hours
Eureka	100 miles or 2 hours
Humboldt	100 miles or 2 hours
Lander	100 miles or 2 hours
Lincoln	100 miles or 2 hours

Mineral	100 miles or 2 hours
Nye	100 miles or 2 hours
Pershing	100 miles or 2 hours
White Pine	100 miles or 2 hours

*Availability of certain provider types may be limited within each county. Additionally, the availability of certain provider types may also be limited within certain cities/communities within a specific county. Every consideration, including established community patterns of care, will be given by the Commissioner to the relative availability of health care providers or facilities in the geographic area when determining if a carrier meets the above established network adequacy provider to member ratios and the travel standards as measured in distance or time as outlined above.

Telemedicine may be utilized in order to provide accessible care in addition to the above network adequacy ratios and travel standards.

URGENT ACCESSIBILITY STANDARDS*

Minimum Number of Providers with Specialties	***Ratio***
Urgent Care	1 provider for every 5,000 covered persons

Geographic Areas by County	***Maximum Travel, Distance or Time***
URBAN COUNTIES	
Carson City	45 miles or 45 minutes
Clark	45 miles or 45 minutes
Washoe	45 miles or 45 minutes
RURAL COUNTIES	
Douglas	60 miles or 1 hour
Lyon	60 miles or 1 hour
Storey	60 miles or 1 hour
FRONTIER COUNTIES	
Churchill	100 miles or 2 hours
Elko	100 miles or 2 hours
Esmeralda	100 miles or 2 hours
Eureka	100 miles or 2 hours
Humboldt	100 miles or 2 hours
Lander	100 miles or 2 hours
Lincoln	100 miles or 2 hours
Mineral	100 miles or 2 hours
Nye	100 miles or 2 hours
Pershing	100 miles or 2 hours

White Pine	100 miles or 2 hours

*Availability of certain provider types may be limited within each county. Additionally, the availability of certain provider types may also be limited within certain cities/communities within a specific county. Every consideration, including established community patterns of care, will be given by the Commissioner to the relative availability of health care providers or facilities in the geographic area when determining if a carrier meets the above established network adequacy provider to member ratios and the travel standards as measured in distance or time as outlined above.

Telemedicine may be utilized in order to provide accessible care in addition to the above network adequacy ratios and travel standards.

EMERGENT ACCESSIBILITY STANDARDS*

Minimum Number of Providers with Specialties	***Ratio***
Emergency Medicine	1 provider for every 5,000 covered persons NOTE: Covered persons shall have access 24 hours a day, seven (7) days a week.

Geographic Areas by County	***Maximum Travel, Distance or Time***
URBAN COUNTIES	
Carson City	30 miles or 30 minutes
Clark	30 miles or 30 minutes
Washoe	30 miles or 30 minutes
RURAL COUNTIES	
Douglas	60 miles or 1 hour
Lyon	60 miles or 1 hour
Storey	60 miles or 1 hour
FRONTIER COUNTIES	
Churchill	75 miles or 1.5 hours
Elko	75 miles or 1.5 hours
Esmeralda	75 miles or 1.5 hours
Eureka	75 miles or 1.5 hours
Humboldt	75 miles or 1.5 hours
Lander	75 miles or 1.5 hours
Lincoln	75 miles or 1.5 hours
Mineral	75 miles or 1.5 hours
Nye	75 miles or 1.5 hours
Pershing	75 miles or 1.5 hours
White Pine	75 miles or 1.5 hours

*Air Ambulance may be medically necessary to provide accessibility without unreasonable delay.

Availability of certain provider types may be limited within each county. Additionally, the availability of certain provider types may also be limited within certain cities/communities within a specific county. Every consideration, including established community patterns of care, will be given by the Commissioner to the relative availability of health care providers or facilities in the geographic area when determining if a carrier meets the above established network adequacy provider to member ratios and the travel standards as measured in distance or time as outlined above.

Telemedicine may be utilized in order to provide accessible care in addition to the above network adequacy ratios and travel standards.

MENTAL HEALTH AND SUBSTANCE ABUSE ACCESSIBILITY STANDARDS*

Minimum Number of Providers with Specialties	***Ratio***
Mental Health	1 provider/facility for every 30,000 covered persons.
Substance Abuse	1 provider/facility for every 30,000 covered persons.

Geographic Areas by County	***Maximum Travel, Distance or Time***
URBAN COUNTIES	
Carson City	30 miles or 30 minutes
Clark	30 miles or 30 minutes
Washoe	30 miles or 30 minutes
RURAL COUNTIES	
Douglas	60 miles or 1 hour
Lyon	60 miles or 1 hour
Storey	60 miles or 1 hour
FRONTIER COUNTIES	
Churchill	90 miles or 1.5 hours
Elko	90 miles or 1.5 hours
Esmeralda	90 miles or 1.5 hours
Eureka	90 miles or 1.5 hours
Humboldt	90 miles or 1.5 hours
Lander	90 miles or 1.5 hours
Lincoln	90 miles or 1.5 hours
Mineral	90 miles or 1.5 hours
Nye	90 miles or 1.5 hours
Pershing	90 miles or 1.5 hours
White Pine	90 miles or 1.5 hours

*Availability of certain provider types may be limited within each county. Additionally, the availability of certain provider types may also be limited within certain cities/communities within a specific county. Every consideration, including established community patterns of care, will be given by the Commissioner to the relative availability of health care providers or facilities in the geographic area when determining if a carrier meets the above established network adequacy provider to member ratios and the travel standards as measured in distance or time as outlined above.

Telemedicine may be utilized in order to provide accessible care in addition to the above network adequacy ratios and travel standards.

SPECIALTY PROVIDERS ACCESSIBILITY STANDARDS*

Minimum Number of Providers with Specialties	***Ratio***
Cardiology	1 provider/facility for every 7,500 covered persons.
Dermatology	1 provider for every 17,500 covered persons.
Gastroenterology	1 provider for every 25,000 covered persons.
Hematology/Oncology	1 provider for every 17,500 covered persons.
Nephrology	1provider for every 10,000 covered persons.
Ophthalmology	1 provider for every 27,500 covered persons.
Orthopedics (General, Hand and Neurosurgery)	1 provider for every 10,000 covered persons.
Otolaryngology	1 provider for every 25,000 covered persons.
Pulmonology	1 provider for every 20,000 covered persons.
Surgery (General, Cardiovascular, Cardiothoracic, Vascular and Colorectal)	1 provider for every 12,500 covered persons.
Urology	1 provider for every 25,000 covered persons.

Geographic Areas by County	*Maximum Travel, Distance or Time*
URBAN COUNTIES	
Carson City	60 miles or 60 minutes
Clark	60 miles or 60 minutes
Washoe	60 miles or 60 minutes
RURAL COUNTIES	
Douglas	90 miles or 1.5 hour
Lyon	90 miles or 1.5 hour
Storey	90 miles or 1.5 hour
FRONTIER COUNTIES	
Churchill	180 miles or 3 hours
Elko	180 miles or 3 hours
Esmeralda	180 miles or 3 hours
Eureka	180 miles or 3 hours
Humboldt	180 miles or 3 hours
Lander	180 miles or 3 hours
Lincoln	180 miles or 3 hours
Mineral	180 miles or 3 hours
Nye	180 miles or 3 hours
Pershing	180 miles or 3 hours
White Pine	180 miles or 3 hours

*Availability of certain provider types may be limited within each county. Additionally, the availability of certain provider types may also be limited within certain cities/communities within a specific county. Every consideration, including established community patterns of care, will be given by the Commissioner to the relative availability of health care providers or facilities in the geographic area when determining if a carrier meets the above established network adequacy provider to member ratios and the travel standards as measured in distance or time as outlined above.

Telemedicine may be utilized in order to provide accessible care to meet the above network adequacy ratios and travel standards.

Section X. Provider Network Adequacy Goals:

- To offer an adequate number and type of contracted or participating providers to meet the health care needs of covered persons.
- To offer a network of participating providers that is geographically accessible to covered persons.
- The number of network providers of different types will vary from one geographic area/county to another. The carrier will contract with sufficient providers of all types necessary to provide a full range of covered services using standards that are realistic for the community, the delivery system and clinical safety.

- Compliance with the distance standards will be achieved if 95 percent of the population of the geographic service area or existing HMO membership is within the distance standards of the providers with whom the carrier contracts.
- The minimum distance standards for PPO insureds will be achieved if 50 percent of the population of the geographic service area or the carrier's enrolled membership is within the distance standards of the providers with whom the carrier contracts.
- The carrier shall provide a wide choice of accessible physicians, facilities and ancillary providers whenever and wherever there is an adequate number of such health care providers practicing in the defined geographic area or county.

Section XI. Provider Network Requirements:

- Be adequate in numbers and types of providers to meet the full range of health care service needs of the enrolled population.
- Include at least one community hospital, where one is available.
- Comply with the Essential Community Provider requirement.
- Use best efforts to include at least 50 percent of the primary care physicians with active staff privileges or hospital admitting privileges or agreements of the contracted community hospital, within each county or multi-county region.
- Include, within each county or multi-county region, enough primary care and specialty care physicians to provide covered persons a choice of physicians.
- A provider directory must be available for publication online and to potential enrollees in hard copy upon request. An HMO/POS provider directory must identify primary care physicians that are not accepting new patients.