Narrow Networks Don't Sacrifice Quality For Cost

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Source: Fierce Health Payer

An analysis of narrow networks on the Covered California health plan marketplace found that in most cases consumers don't need to worry that they are trading quality of care for lower costs.

While Covered California plans did offer narrower hospital networks, there was no significant relationship between raw network size and performance, according to the **analysis** published on the Health Affairs Blog.

The one major caveat the authors noted "is that some extremely narrow networks with overall lower-performing hospitals probably would benefit from a more inclusive network structure or a marked improvement in performance of the participating hospitals."

It's not the size of the network but in what region of the state the hospitals are located that influences quality, the analysis found. For instance, Covered California customers living in San Francisco had better-performing networks than residents living in Orange or Kern counties. The authors wrote that this is less a factor of narrow networks and more a result of Southern California hospitals struggling to meet the quality of "more heavily concentrated, better resourced" hospitals in the northern part of the state.

The **narrow-network debate** tied to the Affordable Care Act has focused on whether health plans are trading quality by limiting access to fewer physicians and hospitals in the network for low monthly premiums. Covered California plans typically offer pared-down but more cost–effective provider networks, the report noted, and recently **announced average premium increases of just 4 percent**.

California, Georgia, Florida and Oklahoma have the highest percentage of narrow network plans, with **at least 75 percent of plans having narrow networks that cover 25 percent or fewer of all area physicians**.

The analysis is good news for consumers, **as a report issued earlier this year found more and more people are enrolling in narrow network plans, apparently willing to forego greater choice and access to doctors and hospitals for better-priced plans**.

Source Link

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