

THE RISE OF THE

NARROW NETWORK

In line with market forces, networks are narrowing into more "premier provider networks." Though these offerings will have limited choices¹, we expect to see the quality of providers in these networks increase, as physicians become more selective with network players to drive down costs. Here are a few key facts to keep in mind.

TRADITIONAL NETWORK MODELS



HMO

Limits enrollee to in-network providers. Out-of-network expenses are generally not covered.³



PPO

Allows enrollee to choose between in- and out-of-network providers, but raises out-of-pocket costs, causing issues when patients find out after a procedure that the provider is not part of their network.⁴

44% of those who bought an ACA plan for the first time in 2015 did not know the network configuration associated with their plan—making appropriate access to care challenging.⁵



In any given area, narrow networks provide enrollee access to less than 70% of hospitals in a rating area.²

NARROW NETWORK BENEFITS

\$700

▶ **AVERAGE PATIENTS SAVE** for a family of four per year, as narrow networks' premiums are 6.7 to 17% less than plans with broad networks.⁶



▶ PROVIDERS

get more of the insurance customers, increasing their number of patients.⁷



▶ PAYERS

can get more favorable rates for medical services and 10% overall cost reduction.⁸

While there is worry that the current administration may attack or try to limit narrow networks⁹, we believe that their utility and effectiveness for payers, providers, and patients will overcome any resistance in the new administration.

No matter what the future holds, Continuum helps our clients stay ahead of the healthcare curve. Reach out to us today to learn more about the future of healthcare and how to protect your practice.

¹ "The Problem with Narrow Networks," 2016, accessed December 22, 2016, <https://www.agilehealthinsurance.com/health-insurance-learning-center/problem-with-narrow-networks>

² Sarah Kliff, "Obamacare's narrow networks are going to make people furious — but they might control costs," *Washington Post*, January 13, 2014, accessed December 22, 2016.

³ "The Problem with Narrow Networks," 2016, accessed December 22, 2016, <https://www.agilehealthinsurance.com/health-insurance-learning-center/problem-with-narrow-networks>

⁴ Ibid.

⁵ Ibid.

⁶ Austin Frakt, "Savings? Yes. But Narrow Health Networks Also Show Troubling

Signs.," *The New York Times*, October 17, 2016, accessed December 22, 2016, www.nytimes.com/2016/10/18/upshot/savings-yes-but-narrow-health-networks-also-show-troubling-signs.html.

⁷ Ibid.

⁸ "Healthcare payers, providers building narrow networks that work," *Modern Healthcare*, accessed December 22, 2016, <http://www.modernhealthcare.com/article/20131221/MAG-AZINE/312219986>.

⁹ Bruce Japsen, "Why Health Insurers Worry About Trump's HHS Pick, Tom Price," *Forbes*, January 04, 2017, accessed January 05, 2017, <http://www.forbes.com/sites/brucejapsen/2017/01/04/why-health-insurers-worry-about-trumps-hhs-pick-tom-price/#2b11385e123c>.