More insurance plans curbing patient choices

- Plans in Idaho are increasingly lined up with certain health systems
- Consumers are frustrated by changing networks and the tough choices they present
- More and more Idahoans opt for “narrow network” plans, which often have lower premiums

Paul Rostock used to carry a Medicare Advantage card from national insurer Humana. That is, until the winter of 2013, when the 92-year-old Boisean learned that his five or six doctors at St. Luke’s Health System would no longer be in the Humana network.

The notice of a network change forced Rostock to make a choice: Keep his doctors and find a new insurer; keep his Humana Gold insurance plan and change his doctors; or keep everything status quo but potentially pay thousands of dollars more for “out of network” care at St. Luke’s.

Rostock chose the second option.

“I’m happy with Saint Al’s, but I had to switch all my doctors,” he said. “It took about six or eight months to get it all done.”

When St. Luke’s and Humana parted ways in January 2014, it was the early phase of what has become a major transition in the Treasure Valley.

Patients are being moved away from health plans that cover any hospital or doctor their hearts desire and toward “narrow networks” that cover just one of the area’s two large health systems.

Blue Cross of Idaho, for example, offers one plan tailored around Saint Alphonsus Health System and another tailored around St. Luke’s, as well as plans that include both systems.

Whenever insurance companies file these new plans with the state, the plans are reviewed, but the state cannot force the companies to do anything to change the networks, said Dean Cameron, director of the Idaho Department of Insurance.

But that could change. The National Association of Insurance Commissioners recently crafted model legislation that, if passed in Idaho, would enable Cameron to scrutinize networks and decide whether they are adequate or not. The department has a similar kind of authority under the Affordable Care Act to review certain insurance rate increases.
The department is just starting to consider the model bill, so Cameron doesn’t expect to propose a change to the upcoming Legislature — and hasn’t decided whether he will.

Idaho’s big health systems are also delving into the insurance business, creating their own networks — coalitions of health care providers that negotiate contracts with insurance companies. St. Luke’s and Saint Alphonsus have seeded their networks in the past few years with their own doctors, clinics and hospitals, and brought in other medical groups from the community.

For some consumers, the trend could mean having to switch policies every year or two. At least a dozen have complained this fall to the Insurance Department about the network changes.

TOUGH CHOICES

Andrew Roman, a 70-year-old Meridian resident, had Humana and a team of St. Luke’s doctors before the insurer’s breakup with St. Luke’s. The split prompted him to switch to a Regence BlueShield of Idaho plan. But this fall, he received notice that Regence and St. Luke’s are not contracting with each other anymore, either.

When he got the letter, he said he thought, “Oh brother, here we go again.”

Roman’s team of doctors also includes orthopedic surgeons and a specialist at Saint Al’s. He did not want to lose them or his St. Luke’s doctors, so he went shopping again — this time opting for a UnitedHealthcare policy that covered both sets. “Next year, I might have to change again, and I don’t want to,” he said.

Seniors around the Treasure Valley called and emailed the Idaho Statesman in November with an array of stories about what happened when their insurance companies and doctors parted ways.

George Bright, 67, of Boise, has a St. Luke’s primary-care doctor but several specialists who are part of Saint Alphonsus. He switched to a Blue Cross of Idaho policy crafted around Saint Alphonsus, because his old Medicare Advantage plan was raising its monthly premium to $109 and reducing some of its benefits. Now he will pay $85 a month but must pick a new Saint Alphonsus primary-care doctor — or pay more to stay with the doctor he has seen for at least 10 years.

Many seniors throughout the state received the same letter Roman did this fall from Regence, letting them know St. Luke’s will no longer be in the network for their Medicare Advantage plans. The Oregon-based insurance company offered to help people find new doctors. Or, it said, patients could pay the higher, out-of-network prices to keep seeing their St. Luke’s doctors after Jan. 1.

The only exception, it said, is for people in counties with St. Luke’s providers but nobody else who takes Regence health insurance. There are counties with such limited options, according to the Idaho Department of Insurance, which keeps track of but cannot dictate who is included in Idaho’s insurance networks. The department does not review Medicare Advantage, which is overseen by federal regulators.

UNEXPECTED CHANGE

The news brought anxiety to many seniors. They said they have established relationships with sometimes half a dozen specialists, have ongoing health issues that their doctors understand, and are overwhelmed — as are consumers of all ages — by trying to compare what two different plans would truly cost them out of pocket. “I thought I had my system for life,” said Thomas Smith, a 77-year-old Boise resident.

Smith and his wife both enrolled in the Regence plan years ago and have several doctors who now belong to St. Luke’s. “I’m tied into St. Luke’s,” he said. So the couple switched to a UnitedHealthcare plan that includes all doctors they need to see. He was pleased to find that the monthly premium under the new plan will be lower, dropping from $72 per month to $29. The trade-off, he said, is that copays will be higher.
“It’s sort of discouraging. Fortunately we’re not poor and we can afford whatever we have to do,” he said. “But what bothered me most is that St. Luke’s can do this.”

Smith wasn’t the only consumer to question the motives of St. Luke’s or Regence — or blame one of them for the breakup.

COMPETITION AND COOPERATION

As revealed during a 2013 trial against St. Luke’s — in which insurance companies, insurance network executives and health care providers gave testimony — there can be a power struggle between insurers/networks and the health systems with which they contract.

Insurers want to keep policyholders happy by offering unfettered access to health care providers, while health systems want to be the go-to health care provider for those policyholders. In short, they need each other. But both sides want to make money, so they can use network participation as a bargaining chip in deciding how, and how much, the health system gets paid and the insurance company keeps.

That power struggle was not a factor in the split between St. Luke’s and Regence, the two organizations’ officials claimed. St. Luke’s and Regence executives told the Statesman the split was a mutual decision and might be temporary. They said they are looking at crafting a plan together in time for 2017. They would not say what prompted them to part ways for 2016.

“This isn’t about price,” said Regence President Scott Kreiling. “From Regence BlueShield’s perspective, we have a very collaborative ... relationship with St. Luke’s. I feel we’ve been treated very fairly.”

Kreiling said the company is, in some cases, losing business to competitors who have narrow-network plans.

St. Luke’s wanted to team up with Regence but it didn’t work out, said Dave Self, a former PacificSource executive who now administers St. Luke’s Health Partners, the network formed by St. Luke’s Health System.

“There were two business decisions made,” he said. “We made the decision that 2016 was not the right time to be the directed network for Regence.... Their decision was to have a directed (narrow) network for that line of business.”

Roman, the Meridian man who bought a UnitedHealthcare plan this fall, wondered whether St. Luke’s is pulling out of networks to undercut competition against its own network and its new partner, Utah-based insurer SelectHealth, which also offers Medicare Advantage plans in Southern Idaho.

Self said the system has not pulled out of any network since he started at St. Luke’s 13 months ago. “The decision to include or not include a provider in a network is made by the (insurer),” he said.

Idaho has an “any willing provider” law that requires insurance networks to contract with any provider who is willing to meet its requirements. But that law does not keep insurers from demanding something that is a deal-breaker for the provider.

“Any network negotiation or contract is a two-way street,” Cameron said. “Oftentimes it is easily portrayed ... as the insurance company’s fault that the network is too limited or doesn’t have my physician in there, when in reality it may be just as much the provider’s issue or the providers in a particular area, or with a particular affiliation with a hospital that may be causing network-adequacy issues.”

Narrow networks have gained ground nationally for years. One reason is that health systems agree to lower payments from insurance companies in exchange for near-exclusive access to the consumers who have the plan.
“Fortunately or unfortunately, some of those products, because of the more limited networks ... they have a lower price, and that is appealing to consumers,” Cameron said. “So that also is a little of the rub. We have consumers who want to push for the lowest price possible, but that is something contradictory.”

Self, of St. Luke’s, said one benefit of narrow networks is to keep patients in a “medical-home environment” in which their providers all have access to the same medical information. It is easier to make the patient’s experience seamless, and it allows the system to evaluate how its doctors are doing when it comes to keeping people healthy, which ultimately helps lower costs, he said.

“I would propose that in the past, many of us, including those of us in the industry, haven’t been consuming health care in a thoughtful way,” Self said. “We paid more attention to how we buy a vehicle or take care of our home, more than how we get care for our families.”

That is slowly changing, and narrow networks are a part of that transition, he said.

Cameron said the growth in narrow networks in the Treasure Valley “creates hardship for people because they have to switch providers — but they still have a provider.”

In some parts of rural Idaho where options are few, that isn’t necessarily so, he said. Most patients who contacted the Statesman said they were reluctant to make a change that involves casting their lot with just one health system.

Rostock, who switched to Saint Alphonsus doctors when Humana and St. Luke’s split up, faced yet another choice before the Dec. 7 deadline for open enrollment in Medicare Advantage plans for 2016. This time, Rostock chose a new insurance plan — one from PacificSource.

Why? Partly because he will pay lower copays and premiums to the Oregon-based insurer, though he will have to pay more for a couple of medications. But it’s also a network thing. “Humana and Primary Health (Medical Group) don’t see eye to eye,” Rostock said.

Primary Health Medical Group is not part of one of the local hospital systems, but it has sprinkled the region with urgent care, primary and specialist clinics. It is included in most major insurance networks in the Treasure Valley. One of those Primary Health clinics is near Rostock’s home, but it is not in Humana’s network.

### Insured through Idaho’s exchange?

Consumers who had health plans last year purchased through Your Health Idaho, the state’s health insurance exchange, should log in and check their benefits, said Pat Kelly, executive director of the exchange. That’s because they could have been automatically re-enrolled in a plan that does not cover the same doctors or prescription-drug formularies they have had this year.

And if you are enrolling in plans this year — Tuesday is the deadline for coverage that starts Jan. 1 — you should use the links provided in “plan detail” pages to see whether your doctors are included in each plan’s provider directory. Or you can visit the insurance company’s website to check network participation that way. You also can call the company or get assistance from insurance agents and brokers, who are trained to help consumers shop for insurance.

All but one of the insurance companies on the exchange have at least one narrow-network plan.

Under new rules from the federal government, insurance companies that sell on the exchange must keep their provider lists up-to-date so that patients know who is in the network.