

GAO Highlights

Highlights of [GAO-16-219](#), a report to the Ranking Member, Committee on Finance, United States Senate

Why GAO Did This Study

Federal funding for CHIP expires at the end of fiscal year 2017. Any state with insufficient federal CHIP funding is required to have procedures to enroll eligible children in QHPs certified by HHS as comparable to CHIP, if any such QHPs are available. Little is known about how provider networks offered in QHPs compare with those in CHIP plans.

GAO was asked to review the inclusion of pediatric providers, including children's hospitals—where many children access pediatric specialists—in CHIP and QHP networks. This report examines (1) federal and selected state CHIP and QHP network adequacy standards, (2) the extent to which selected issuers of CHIP plans and QHPs include children's hospitals and otherwise help ensure access to pediatric specialists, and (3) how CMS and selected states monitor CHIP plan and QHP compliance with adequacy standards. GAO selected five states—Alabama, Massachusetts, Pennsylvania, Texas, and Washington—that varied based on whether the state or CMS operated the exchange on which QHPs were offered, as well as in the number of children in CHIP and in the state overall. GAO then selected issuers of the largest CHIP plan and QHP in the states' largest county, based on the most recently available enrollment data, and at least one children's hospital in each state. GAO reviewed federal and state laws and regulations and interviewed officials from CMS, the selected states, issuers, and children's hospitals. GAO findings on selected states and entities are not generalizable.

View [GAO-16-219](#). For more information, contact Katherine Iritani at (202) 512-7114 or iritanik@gao.gov.

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PROVIDER NETWORKS

Comparison of Child-Focused Network Adequacy Standards between CHIP and Private Health Plans

What GAO Found

Broad federal provider network adequacy standards apply to health plans in the joint federal-state State Children's Health Insurance Program (CHIP) and to qualified health plans (QHP)—private health plans offered on health insurance exchanges. These standards measure the adequacy of the networks of physicians, hospitals, and other providers participating in each plan. The five selected states GAO reviewed had one or more specific network adequacy standards, including:

- All five states required CHIP plans and QHPs to adhere to specific and quantitative standards for travel time or distance for the proximity of network providers' locations to enrollees' residences; some had both.
- Three selected states required CHIP plan and QHP networks to follow provider capacity or availability standards, including, for example, specific limits on appointment wait times.
- Two selected states required CHIP plan and QHP networks to follow specific provider-to-enrollee ratios.

More of the five states that GAO reviewed had child-focused network adequacy standards for CHIP plans than for QHPs. For CHIP plans, four of the five states had specific requirements for pediatric provider types, but, for QHPs, two of the five selected states had requirements for pediatric provider types.

Nearly all of the 19 selected issuers that GAO interviewed stated that they included at least one children's hospital in their CHIP and QHP networks. Most of the issuers noted they included more than one. One of the selected issuers—a QHP-only issuer—informed GAO that it did not include any children's hospitals, but noted having an arrangement with another hospital to provide certain pediatric services. Officials from most of the nine selected children's hospitals GAO interviewed raised concerns around not being included in all plan networks and the potential effect of this on children's access to specialty care they may need. Officials from the selected issuers also noted challenges recruiting certain types of pediatric specialists related to geographic location and compensation.

The Centers for Medicare & Medicaid Services (CMS)—the federal agency that oversees CHIP and QHPs—monitors state oversight of network adequacy for CHIP plans and is responsible for directly monitoring QHPs' network adequacy in states with federally facilitated exchanges. For CHIP, CMS officials told GAO they review state contracts and plans to assure compliance with access requirements, and, for QHPs, they monitor network adequacy through an annual certification process as well as other types of review. Officials from most of the five selected states told GAO they also monitored issuers' network adequacy compliance, but the frequency of monitoring varied. For example, three of the five selected states told GAO they require CHIP plan issuers to submit certain provider network information when the plan and network are established, then quarterly or annually thereafter. Officials from most of the selected states told GAO that they rely primarily on complaints, network changes, and other concerns to prompt the frequency with which they monitor QHPs' network adequacy. The Department of Health and Human Services (HHS) provided technical comments on a draft of this report that GAO incorporated, as appropriate.