

Consumer Information and Narrow Networks

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Consumer Information and Narrow Networks

- In general, constructing and presenting information about an entire insurance provider network is difficult for the purpose of consumer plan choice
 - Summarizing information about network breadth / scope in simple measures may not convey that much information
 - If healthy ex ante, consumers may not benefit much from targeted searching (apart from primary care doctor)
- Once enrolled, consumers can also have substantial difficulty identifying in-network providers
 - Complex search process, often with high transaction costs
 - Sometimes seems impossible at point of care (recent NYT article)
- Targeted search issues should already have been solved and there is substantial room for improvement. Broad / ex ante representation of narrow networks to consumers is harder

Example: Covered California

- Blue Shield plan in Covered California
- Substantial details on cost sharing provisions
- No detail at all on provider network on any dimension
- Instead, must search externally, and take many steps to get any information at all (though no summary measures)

STANDARD BENEFITS FOR INDIVIDUALS

Key benefits	Bronze 60 Health Savings Account
Individual Deductible	\$4500 deductible for medical & drugs
Family Deductible	\$9,000 deductible
Preventative Care Copay ¹	no cost at least 1 yearly visit
Primary Care Visit Copay	40%
Specialty Care Visit Copay	40%
Urgent Care Visit Copay	40%
Generic Medication Copay	40%
Lab Testing Copay	40%
X-Ray Copay	40%
Emergency Room Copay	40%
High cost and infrequent services (e.g. Hospital Stay)	40% of your plan's negotiated rate
Preferred brand copay after Drug Deductible (if any)	40%
Maximum Out-of-Pocket For One	\$6,350
Maximum Out-of-Pocket For Family	\$12,700

¹ in-network only

Call Us: 1-888-626-6780 [TTY (888) 595-0000]

If you have additional questions about finding a plan, please call Blue Shield at 1-888-626-6780 [TTY (888) 595-0000] 8 a.m. to 5:30 p.m. Monday through Friday or contact your local authorized broker.

Is your Doctor in our network? [Find a doctor](#)

If you're already a Blue Shield member, visit www.blueshieldca.com

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*Although most individuals who enroll in an HSA-compatible high deductible health plan (HDHP) are eligible to open a Health Savings Account (HSA), your clients should consult with a financial adviser to determine if an HSA/HDHP is a good financial fit for them. Blue Shield does not offer tax advice or HSAs. HSAs are offered through financial institutions. For more information about HSAs, eligibility, and the law's current provisions, your clients should ask their financial or tax adviser.

Example: Covered California

- Once you reach search page, select plan from long list of plans

Find a Provider
In English | En Español


make sure you're covered

already a member? [log in](#)

Log in to find doctors and providers that accept your plan.

[select a plan](#) [select](#)

Find out which doctors and providers accept which plans.



what are you looking for?

Doctors







Facilities

Dentists

Vision Care

Pharmacies

Equipment & Supplies

[Advanced Search](#)

[Advanced Search](#)

[Advanced Search](#)

[Advanced Search](#)

[Advanced Search](#)

[Advanced Search](#)

[urgent care centers](#)

located near [find now](#)

Choosing a provider that does not participate in your plan's network could result in higher costs or denied claims.

Select Your Plan

Close x

Find providers by a specific plan.

medical plan

Don't know your medical plan?

dental plan


vision care plan

Please select plans carefully. When making appointments, confirm that your provider accepts your health plan - failure to do so could result in higher costs or denied claims. For best results, always log in with your member username and password.

Please note you will need to enter location information and choose a provider type before you can view matching providers in your plan.

Example: Covered California

- Once you actually get to place you can search, only targeted searches possible at all and limited information on each provider


Distance | [Alphabetically](#)
 1-10 of 1176 within 5 miles

Behl, Rajesh MD Compare
 3 Specialties
 ★★★★★ Not yet rated
[Rate This Doctor](#)
 2001 Dwight Wy
 Berkeley, CA 94704
 (510) 204-1591
 Distance: 0.03 miles
Sutter East Bay Medical - Accepting New Patients

Bryant, Janie L MD Compare
 Internal Medicine
 ★★★★★ Not yet rated
[Rate This Doctor](#)
 2001 Dwight Way
 Berkeley, CA 94704
 (510) 204-4444
 Distance: 0.03 miles
Accepting New Patients

Cecchi, Gary R MD Compare
 2 Specialties
 ★★★★★ 5 out of 5 | 1 Ratings
[Rate This Doctor](#)
 2001 Dwight Wy
 Berkeley, CA 94704
 (510) 204-1591
 Distance: 0.03 miles
Northern Calif Hematology Oncology Cnslts - Accepting New Patients

Doctor

Behl, Rajesh MD

Doctor Comparisons (0) | Compare

contact information

Address: 3012 Summit St 2675
 Oakland, CA 94609
 (510) 869-8656

member ratings

★★★★★ Not yet rated

[Rate This Doctor](#)
[View our FAQs for more information](#)

information

Status: Accepting New Patients
Specializing In: Hematology , Internal Medicine , Medical Oncology
Plans: [View accepted Blue Shield Plans](#)
Provider Number: 00A965090
Access+: No
Gender: Male
Years in Practice: 8 years
Education: Maulana Azad Medical College, University Of Minnesota, 1993
Language: English , Hindi , Punjabi , Urdu
Board Certification: Internal Medicine (exp. Dec 31 2014)
 Medical Oncology (exp. Dec 31 2014)
Hospital Affiliations: Refer to medical group listed below

Medical Group

Click medical group name to view details.

Medical group number: ZZZ50337Y

[Sutter East Bay Medical](#)

Hospital Affiliations: No hospital affiliation

Evidence

- Information:
 - McKinsey 2014 survey on ACA exchange purchase finds 26% of consumers don't know whether network broad or narrow. 58% think network is broad, very likely higher than actual market outcomes.
 - Handel and Kolstad (2014) show consumers have limited knowledge about comparability of networks in simplified large employer setting.
- Market Structure / Take-Up:
 - McKinsey study shows narrow network plans 13-17% cheaper relative to comparable broad network plans.
 - Gruber and McKnight (2014) show consumers very willing to choose these plans: 10% of Massachusetts employees given \$500 premium discount switch from broad network plan to comparable narrow network option
- Spending / Health Outcomes
 - Gruber and McKnight (2014): 40% reduction in spending from marginal switchers, *increase* in spending on primary care, reduction for downstream care, no evidence of reduced quality conditional on treatment (all from people with same PCP)
 - Shephard (2014): When Partners removed from some networks in market, 15% risk-adjusted drop in spending, only 35-50% of that drop from adverse selection

Implications for Current Policy

- Early evidence suggests limited to no important quality reductions, but does show premium reductions
 - More evidence needed, but likely coming soon
 - Networks limited, but given current regulation are they that limited?
- ACA regulations restrict insurer innovation on almost all other dimensions. Ability to form narrow networks primary mechanism for competing insurers to generate social value.
- More broadly, if policy designed to help control health care costs, one primary alternative discussed is higher cost-sharing where limited consumer information is major barrier to reducing costs
 - Consumers with limited information about networks likely also limited if forced to price shop themselves, seems reasonable to let insurers do this
 - Risk from ex post access (within year!!) vs. financial risk protection potential implicit tradeoff though it depends on information / potential on each dimension.

Bottom Line

- Clear that insurer information provision about whether targeted providers / care processes are in network or not should be clear before consumer is at provider (ex post information)
- Clear that, while efforts should be made to improve consumer (broad) information about network at time of choice, that this is ultimately quite difficult to do effectively
 - Provider consistency valuable ex ante objective (related to targeted search)
- Given this, it seems that current environment is not too lax (could also be too restrictive) and that regulators should allow insurers enough leeway in network formation to generate meaningful cost savings (imagined welfare benefit of competition)
- Recent cases suggest common for providers to sue for inclusion
 - Seattle Children's and Washington Exchange, Yale Medical Group and United