

August 22, 2014

The Honorable Mike Kreidler
Insurance Commissioner
State of Washington
PO Box 40258
Olympia, WA 98504-0258

Attn: Kate Reynolds

RE: Notice of Rulemaking CR 101- R Network Adequacy

Dear Commissioner Kreidler:

Thank you for the opportunity to submit comments on the second round of network adequacy rulemaking. We appreciate your approach in continuing to view the rules as a whole, with opportunity to improve all elements of the new rule for implementation in 2016, including consideration of improvements to the elements of the new rule adopted in April 2014. For example, please consider additional provisions to protect families from extraordinary out of pocket costs and to enable your office to ensure that networks of participating providers are adequate to protect all consumers.

Your work with the National Association of Insurance Commissioner's (NAIC) and their new model act, anticipated by November, provide an additional opportunity for Washington to lead the nation in adopting excellent network adequacy rules. In that same regard, we respectfully urge you to employ stakeholder review processes similar to those you have used in the past, ensuring open joint participation by all parties resulting in effectiveness, transparency, and better understanding of the new rules by everyone involved.

The following comments relate to the sections that appeared in the first exposure draft released on December 4, 2013, that were removed from the second exposure draft with a notice that the sections would be addressed in the second round of rulemaking.

WAC 284-43-202 – Maintenance of Networks. Thank you for addressing this important topic in rulemaking. Not only are participating provider networks subject to change over the course of a plan year, but a loss of one or more providers or facilities from a participating network can have a significant impact on patients – especially those

under an active course of treatment or with complex medical needs. Please consider steps to ensure that essential community providers are available in each network sufficient to meet patient volume and to provide the range of services needed within the patient population. Advance notice to the OIC of changes in the provider network, requirements to ensure continuity of care within the plan year, and the use of data to verify accuracy of reporting (**WAC 284-43-225**), would contribute substantially to your goals for both ensuring network adequacy and transparency for consumers.

WAC 284-43-251 – Enrollee’s Access to Providers. We support the language that appeared in the December 4, 2013 exposure draft, with the understanding that access to providers must mean participating providers within the issuer’s network. Use of services out of network should only be necessary in those very rare situations such as the patient being out of service area, or requiring truly unique services such as transplantation. Patients must be protected from high out of pocket costs related to the need to utilize out of network services due to lack of essential services within network.

WAC 284-43-310 – Selection of Participating Providers and Unfair Discrimination. In keeping with the goals and provisions of the Affordable Care Act (ACA) to prevent unfair discriminatory health benefit design, we urge the OIC to carefully review this section in the context of other aspects of the new rule, and to evaluate and improve its effectiveness in preventing discrimination against patients with complex medical conditions. Ensuring the adequacy of in network benefits for the entire patient population and monitoring the development of new payment arrangements with regard to their effectiveness at providing necessary access to quality health care in the new health care reform environment is imperative to prevent unfair discrimination.

Thank you for the opportunity to submit these preliminary comments and we look forward to working with the OIC staff and other stakeholders during the rulemaking process. If you have questions, please contact Suzanne Petersen Tanneberg at 206-987-2125 or suzanne.petersen@seattlechildrens.org.

Sincerely,



Kelly Wallace
Senior Vice President and Chief Financial Officer
Seattle Children’s Hospital