

ACA Implementation—Monitoring and Tracking

**Narrow Networks, Access  
to Hospitals and Premiums:**  
An Analysis of Marketplace Products in Six Cities

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With support from the Robert Wood Johnson Foundation (RWJF), the Urban Institute is undertaking a comprehensive monitoring and tracking project to examine the implementation and effects of the Patient Protection and Affordable Care Act of 2010 (ACA). The project began in May 2011 and will take place over several years. The Urban Institute will document changes to the implementation of national health reform to help states, researchers and policymakers learn from the process as it unfolds. This report is one of a series of papers focusing on particular implementation issues in case study states. Reports that have been prepared as part of this ongoing project can be found at [www.rwjf.org](http://www.rwjf.org) and [www.healthpolicycenter.org](http://www.healthpolicycenter.org). The quantitative component of the project is producing analyses of the effects of the ACA on coverage, health expenditures, affordability, access and premiums in the states and nationally. For more information about the Robert Wood Johnson Foundation's work on coverage, visit [www.rwjf.org/coverage](http://www.rwjf.org/coverage).

## INTRODUCTION

One objective of the health insurance Marketplaces created through the Affordable Care Act (ACA) is to encourage competition among insurers with the goal of lower premiums for consumers and lower subsidy costs for the federal government. This has already been achieved in many geographic areas.<sup>1</sup> One strategy insurers have used to offer lower premiums and capture market share has been the creation of “narrow networks” of providers and facilities. The option to offer limited network plans can be used to negotiate lower provider payment rates. For example, insurers can choose to exclude high-cost hospitals to keep premiums low. Or insurers can direct higher volumes of patients to hospitals that are willing to negotiate lower provider payment rates and meet other standards for care management.

In this first year of ACA implementation, many insurers negotiated new hospital network arrangements for Marketplace products. In some cases, providers or facilities that have historically been “in-network” for a given insurer may not be included in that insurer's new Marketplace plans. In other cases, insurers with historical relationships with providers might have leverage to negotiate lower rates, which can lead to lower premiums for consumers without

the need to use narrow networks. In strategic partnerships, hospital systems may be willing to negotiate lower than historic rates if their competitors are excluded from an insurer's new network.

Though narrow network products might be sufficient for some consumers, they could be too narrow for others. For example, a network that excludes an academic medical center (AMC) could be problematic for some consumers who require access to specific expertise or innovative types of care that are not considered medically necessary by the insurer. However, insurers will often pay for medically necessary care even if that care is not available in the plan's network; this means that individuals might have access to non-network hospitals in certain circumstances, although there is disagreement about what is “medically necessary.”

The ACA includes network adequacy requirements, but there remains considerable variation in the breadth of acceptable hospital networks and the options available in each. In this brief, we investigate which hospitals are included in Marketplace plans in major cities in six states. We also examine how hospital networks vary across plans within a single insurer and across all insurers.

We conclude that almost all insurers offer plans that include in their networks access to many highly ranked hospitals. Moreover, all hospitals in the cities we examined were in at least one Marketplace plan's networks. Finally, the size of networks was not necessarily tied to premiums. Though narrowing networks generally led to more-

competitive and lower premiums (and certainly lower than if the same insurer had a broader network), some plans with broad networks had low premiums and some with narrow networks had high premiums. Insurer market share and negotiating power can influence premiums independently of network size.

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## METHODS

In this brief, we examine six cities: Denver, Colorado; Portland, Oregon; New York City (Manhattan), New York; Providence, Rhode Island; Baltimore, Maryland; and Richmond, Virginia. In each area, we count the number of hospitals included in each plan offered by each insurer for each of their silver-tier Marketplace plans. We look at the silver-tier products because cost-sharing subsidies are tied to plans in this tier (though premium subsidies can also be applied to plans at other tiers). Hospitals are limited to general- or acute-care hospitals that were within city (or borough) limits (e.g., Portland, but not Vancouver; Manhattan, but not Brooklyn). We make an exception to include Aurora (just outside Denver) in Colorado, because two major hospitals, including the University of Colorado Hospital, are located there. Additionally, specialty hospitals, rehabilitation hospitals, psychiatric hospitals and Veterans Health Administration hospitals are excluded from the analysis. Women's and children's hospitals are included only if they were a stand-alone hospital (i.e., children's hospitals that are associated with a general hospital were not counted individually). We include one specialty hospital: Memorial Sloan Kettering Cancer Center in Manhattan. Although it is not a typical acute-care hospital, Memorial Sloan Kettering Cancer Center provides state-of-the-art cancer care, and we wanted to study its inclusion in hospital networks among products offered in Manhattan.

To establish which hospitals were included within the network of a given insurer, we use the provider and facility search functions available on each insurer's website. These provider search functions' ease of use varies widely. In some cases, it is not possible to view the specific provider networks associated with a certain plan; instead, the consumer can only view the insurer's entire network of providers for all plans. If insurers use different networks for their Marketplace products and do not indicate this on their website, these differences could be missed. At the time of writing, only one study state, Colorado, has hospital search functionality embedded on its state-based Marketplace. For Colorado, we first use the Marketplace's embedded hospital search function. We confirm the findings by using insurer's

websites, and where there were discrepancies, we report the information found on the insurer's website instead of the Colorado Marketplace. Colorado's Marketplace provider and hospital search functionality is somewhat limited at the time of our study, as described in previous research.<sup>2</sup>

We use outside data to classify hospitals by "top hospital" status, defined as whether or not they were ranked by *U.S. News and World Report* as a top hospital in 2013. The *U.S. News and World Report* rankings are based on data from the Centers for Medicare and Medicaid Services's MedPAR database, the Agency for Healthcare Research and Quality, the American Hospital Association, other professional organizations and physician surveys. Hospitals are scored in four domains: reputation, patient survival, patient safety and care-related factors (e.g., nurse staffing and the variety of patient services). The methodology is described in further detail in a report published by RTI.<sup>3</sup>

We also classify hospitals by whether they are AMCs. AMCs are hospitals that are affiliated with an accredited medical school and frequently conduct clinical research and cutting-edge procedures, especially for rare conditions. Though there is not clear evidence showing that AMCs consistently provide better quality of care, this is generally the case, especially for conditions that require state-of-the-art care. For example, every AMC in our sample is also considered a top hospital by *U.S. News and World Report*. AMCs also tend to be more expensive than non-AMCs for many reasons, including that they serve as training centers for medical professionals and that they are sometimes primary sources of care for the indigent and uninsured. There is no universal definition for AMCs, and no exhaustive list, so for the purposes of this study we define AMCs as member teaching hospitals of the Association of American Medical Colleges.<sup>4</sup> The Association of American Medical Colleges comprises approximately 400 teaching hospitals and health systems throughout the country. There is at least one AMC in each of our study areas. Top hospital and AMC totals in each urban area can be found in tables 2a through 2f.

We also include a patient experience measure: we note which hospitals scored better than their state's average on a measure of the percentage of patients who said they would "definitely recommend the hospital." The data for this measure comes from the Hospital Consumer Assessment of Healthcare Providers and Systems survey, which is administered to a random sample of patients between 48 hours and six weeks after discharge.<sup>5</sup> The data was collected between October 1, 2012, and September 30, 2014.<sup>5</sup>

We also note plan type (health maintenance organization [HMO], preferred provider organization [PPO], exclusive provider organization [EPO], or point of service plan [POS]) as an indication of relative network size. Generally, HMOs and EPOs offer more-limited networks; PPOs and POSs tend to afford greater choice with both in-network and out-of-network options. HMOs and EPOs generally do not reimburse for care received from an out-of-network provider except for emergency care and other specific conditions. PPO and POS plans provide some reimbursement for care

received from out-of-network providers, though this care comes at a higher out-of-pocket cost to the consumer. Some states' Marketplace websites prominently display plan type for each product; in other cases, this information is less clear.<sup>2</sup>

In our analysis, we focus on hospitals instead of physicians or another type of facility (e.g., clinics) because there is not a universally accepted way to rank physicians; therefore, we would not have had an effective way to designate which physicians were the best, and it would have been misleading to extrapolate about what it meant for any certain physicians to be included or excluded from a network. Similarly, it would be difficult to determine which clinics were the best. This is not intended to indicate that physicians are an unimportant element of networks; in fact, physicians may be more critical to network adequacy than hospitals, and certainly a necessary part of discussions on network adequacy. Past research highlighted the challenges consumers face in determining physician network breadth and quality.<sup>2</sup>

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## LIMITATIONS

Our research is based on the available provider search functions for each insurer; we did not confirm the accuracy of those directories. Most provider search functions included a recommendation that the consumer call their desired provider to ensure that she, he, or the facility was included in the network before purchasing the product. Confirming the accuracy of the hospital networks described here would require confirming with each insurer in each study area; this was outside the scope of this project. Instead, we report on the information that is available to consumers using the hospital search functions for the insurers in the study areas.

It is difficult to establish which hospitals are top hospitals based on any objective criteria. There is no universal standard for designating which hospitals provide the highest-quality care or what the most appropriate quality

measures are. There are many databases and surveys available that attempt to rank hospitals based on several data sources. *U.S. News and World Report* is one of these sources; we use it because we believe it serves as an acceptable summary measure. The *U.S. News and World Report* hospital rankings are intended for "the most difficult patients."<sup>6</sup> We supplement these rankings with a patient experience measure obtained from the Centers for Medicare and Medicaid Services's Medicare Compare tool. We acknowledge that the ranking methodologies of hospitals are imperfect, but there is no perfect alternative.

Lastly, our analysis includes only urban areas. Networking arrangements might be different in suburban or rural areas. Generally, it is difficult to develop narrow networks in rural areas because they already offer few providers to choose from.

# RESULTS

Health insurance plans offer many hospital network configurations. In most areas, consumers can choose between relatively narrow and relatively broad hospital networks. With one exception, every insurer in our analysis offers a hospital network that included at least one top hospital (discussed below). Further, every hospital in our study is included in at least one plan's network. Our review of provider directories indicated that the majority of insurers use one hospital network

across all their products, rather than using differently sized networks for differently priced products. Table 1 shows the number of hospitals included in each plan's network and the subset of those hospitals that are top hospitals (as defined by *U.S. News and World Report*) or an AMC. If insurers offer the same network for all plans, these are listed together in a single row. If insurers offer several plans with different networks, these are listed in individual rows.

**Table 1. Hospital Networks for Health Insurance Marketplace Plans**

		Plan Type	Premium range for all insurers' silver plans (27 year-old)	Number of hospitals in network (out of total hospitals in area)	Number of top hospitals in network (out of total top hospitals in area)	Number of academic medical centers in network (out of total AMCs in area)	Number of hospitals in network with high patient experience score (out of total hospitals with high patient experience scores in area) <sup>a</sup>
Denver, Colorado	Kaiser	HMO	\$201 to \$214	3 (of 9)	2 (of 8)	1 (of 4)	2 (of 4)
	Humana	HMO	\$205 to \$208	2 (of 9)	2 (of 8)	1 (of 4)	0 (of 4)
	Colorado HealthOP	EPO	\$224	1 (of 9)	1 (of 8)	0 (of 4)	0 (of 4)
	Colorado HealthOP	PPO	\$258	6 (of 9)	6 (of 8)	4 (of 4)	3 (of 4)
	Denver Health	HMO	\$225	1 (of 9)	1 (of 8)	1 (of 4)	0 (of 4)
	Denver Health	HMO	\$262	3 (of 9)	3 (of 8)	3 (of 4)	1 (of 4)
	Rocky Mountain Health Plan	HMO	\$254 to \$320	6 (of 9)	5 (of 8)	2 (of 4)	3 (of 4)
	Cigna	PPO	\$261 to \$293	9 (of 9)	8 (of 8)	4 (of 4)	4 (of 4)
	Anthem BCBS	HMO	\$262 to \$291	4 (of 9)	4 (of 8)	1 (of 4)	2 (of 4)
	Access Health Colorado	PPO	\$372 to \$377	[provider search unavailable]			
Baltimore, Maryland	CareFirst	HMO/POS	\$187 to \$194	8 (of 13)	7 (of 12)	4 (of 6)	6 (of 9)
	Blue Cross Blue Shield multistate plan	PPO	\$197	8 (of 13)	7 (of 12)	4 (of 6)	6 (of 9)
	Evergreen	HMO/POS	\$207 to \$259	11 (of 13)	11 (of 12)	5 (of 6)	9 (of 9)
	Kaiser	HMO	\$221 to \$233	2 (of 13)	2 (of 12)	0 (of 6)	1 (of 9)
	United	EPO	\$270 to \$282	12 (of 13)	11 (of 12)	5 (of 6)	8 (of 9)

**Table 1. Hospital Networks for Health Insurance Marketplace Plans *continued***

		Plan Type	Premium range for all insurers' silver plans (27 year-old)	Number of hospitals in network (out of total hospitals in area)	Number of top hospitals in network (out of total top hospitals in area)	Number of academic medical centers in network (out of total AMCs in area)	Number of hospitals in network with high patient experience score (out of total hospitals with high patient experience scores in area) <sup>a</sup>
New York (Manhattan), New York	MetroPlus	HMO	\$359 to \$374	5 (of 11)	3 (of 8)	2 (of 7)	1 (of 4)
	Health Republic	EPO	\$365 to \$387	9 (of 11)	7 (of 8)	6 (of 7)	3 (of 4)
	Oscar	EPO	\$385 to \$419	11 (of 11)	8 (of 8)	7 (of 7)	4 (of 4)
	EmblemHealth	HMO	\$385	4 (of 11)	4 (of 8)	4 (of 7)	2 (of 4)
	Fidelis Care	HMO	\$390	10 (of 11)	7 (of 8)	6 (of 7)	4 (of 4)
	Empire Blue Cross	HMO	\$416 to \$439	5 (of 11)	5 (of 8)	5 (of 7)	3 (of 4)
	Healthfirst	HMO	\$440	8 (of 11)	5 (of 8)	4 (of 7)	2 (of 4)
	Affinity	HMO	\$440 to \$442	6 (of 11)	5 (of 8)	5 (of 7)	4 (of 4)
	United	EPO	\$642	9 (of 11)	6 (of 8)	5 (of 7)	3 (of 4)
Portland, Oregon	Moda	PPO	\$159	2 (of 6)	2 (of 5)	0 (of 1)	2 (of 6)
	Moda	PPO	\$165	4 (of 6)	3 (of 5)	1 (of 1)	4 (of 6)
	Moda	PPO	\$175 to \$204	6 (of 6)	5 (of 5)	1 (of 1)	6 (of 6)
	HealthNet	POS	\$176 to \$181	3 (of 6)	2 (of 5)	0 (of 1)	3 (of 6)
	Providence	EPO	\$192 to \$232	2 (of 6)	2 (of 5)	0 (of 1)	2 (of 6)
	PacificSource	PPO	\$203 to \$216	5 (of 6)	5 (of 5)	1 (of 1)	5 (of 6)
	LifeWise	PPO	\$203 to \$220	3 (of 6)	3 (of 5)	1 (of 1)	3 (of 6)
	Kaiser	HMO	\$210	2 (of 6)	2 (of 5)	1 (of 1)	2 (of 6)
	Health Republic	EPO	\$210 to \$221	2 (of 6)	2 (of 5)	0 (of 1)	2 (of 6)
	Oregon's Health Co-op	PPO	\$223 to \$230	6 (of 6)	5 (of 5)	1 (of 1)	6 (of 6)
	Bridgespan	PPO	\$228	2 (of 6)	1 (of 6)	1 (of 6)	2 (of 6)
Providence, Rhode Island	Blue Cross Blue Shield of Rhode Island	PPO	\$225 to \$250	5 (of 5)	3 (of 3)	3 (of 3)	3 (of 3)
Richmond, Virginia	Coventry	POS	\$188	6 (of 6)	2 (of 2)	1 (of 1)	6 (of 6)
	Anthem	HMO	\$208 to \$221	3 (of 6)	0 (of 2)	0 (of 1)	3 (of 6)
	Aetna	PPO	\$260 to \$284	6 (of 6)	2 (of 2)	1 (of 1)	6 (of 6)
	Optima	HMO	\$285	6 (of 6)	2 (of 2)	1 (of 1)	6 (of 6)

<sup>a</sup> Hospitals receive a "high patient experience score" if they score higher than their state's average on the percentage of patients who say they would "definitely" recommend the hospital.

Specific results are described here by city.

## Denver, Colorado

There are nine hospitals in Denver; eight are designated as top hospitals and four are AMCs. Each hospital is included in at least one plan, and some are included in nearly all plans. For example, Porter Adventist Hospital is included in all plans except those offered by Denver Health and Anthem. Cigna offers the most generous hospital network in Denver: it includes all nine hospitals; it also has relatively high premiums. Colorado HealthOP and Denver Health each offer two separate hospital networks for their two plans: one wider network and one narrower network. For example, Colorado HealthOP's low-cost narrow EPO network includes only a single hospital in Denver. Its pricier PPO product includes the majority of hospitals in Denver: six in total, including six top hospitals and four AMCs. Rocky Mountain Health Plan is based in Grand Junction and is a dominant insurer in that part of the state. When they began offering products in the Denver area, Rocky Mountain Health Plan had to create new contracting arrangements because they did not have historical relationships with providers in that area. Their Marketplace offerings in Denver have a relatively wide hospital network, which likely contributes to high premiums.

On the other hand, Kaiser has a relatively small hospital network in this area and offers the lowest-cost plan in Denver. As an integrated health plan, Kaiser can use several strategies to keep premiums low, though they are not the lowest-cost plan in all our study areas (see Maryland). Humana also has a narrow hospital network and low premiums. Even with narrower networks, however, the plans offered by these carriers each include multiple hospitals, among which are an AMC, top hospitals, and hospitals with high patient experience ratings.

## Baltimore, Maryland

Maryland is unique in that it utilizes an all-payer rate-setting system for hospital services. Under this system, all insurers pay the same rates for services provided by a given hospital. These rates can and do vary between hospitals, however. In Maryland, insurers don't have the ability to negotiate for lower payment rates based on increased volume. They can, however, contract with lower-cost hospitals; insurers that contract with lower-cost hospitals can offer lower premiums.

Baltimore boasts a large number of high-quality hospitals. There are 13 hospitals in total; 12 are top hospitals and 6 are AMCs. Of the five insurers that offer plans in Baltimore, all but Kaiser include a majority of these hospitals. CareFirst and the Blue Cross Blue Shield multistate plan are the lowest-cost products in Baltimore; each includes 8 of the

13 hospitals in their networks. CareFirst and the Blue Cross Blue Shield multistate plans have the lowest premiums in the city, despite their broad networks; this is perhaps because of their negotiation leverage with other providers. Other insurers offer even broader hospital networks in Baltimore. Of the 13 hospitals in Baltimore, Evergreen (a co-op) includes 11 and United includes 12. Evergreen and United have the highest premiums in the city. Conversely, Kaiser covers only two hospitals, neither of which is an AMC. Based on its limited network, one might expect that Kaiser would be one of the cheapest plans in the area, but its premiums are well above CareFirst's. This may reflect problems developing their physician network.

Johns Hopkins Hospital, the highest-ranked hospital in Baltimore according to *U.S. News and World Report*, is included in three of the five insurer's networks. Kaiser and United both exclude it and it is the only hospital in Baltimore that United excludes. The Johns Hopkins system has another teaching hospital in East Baltimore called the Johns Hopkins Bayview Medical Center. This is also a highly ranked teaching hospital and it is included in all networks except Kaiser's.

## New York (Manhattan), New York

In Manhattan, there are 11 hospitals, 8 of which are top hospitals and 7 of which are AMCs. Of the 11 hospitals in Manhattan, only 4 received higher than average scores on the patient experience measure (data was unavailable for two of the hospitals).

The nine insurers offering products in Manhattan include anywhere from 4 of the 11 hospitals (EmblemHealth) to all 11 (Oscar). In general, networks are broad. Some hospitals are included in networks more frequently than others. For example, Beth Israel Medical Center—a highly ranked teaching hospital affiliated with the Mount Sinai School of Medicine—is included in every insurer's network. Similarly, St. Luke's-Roosevelt Hospital Center, another highly ranked teaching hospital affiliated with Mount Sinai School of Medicine, is in-network for all insurers except MetroPlus. Conversely, the Memorial Sloan Kettering Cancer Center is only included in Health Republic (a co-op) and Oscar's networks. Other hospitals are included in a majority of insurer's networks. Consequently, a consumer can purchase virtually any plan offered in Manhattan and be assured that she or he will have access to a top hospital.

There is not a clear link between hospital networks and premiums. Manhattan is unique in that there are several insurers (e.g., MetroPlus and Fidelis Care) that previously offered Medicaid-only insurance products. Because of this, these insurers already had well-established relationships



with providers in Manhattan and presumably were able to negotiate or maintain rates lower than typical private-sector levels. Not all former Medicaid plans, however, have low premiums (e.g., Health First and Affinity). United stands out as a carrier with a broad network and high premiums, but Oscar has an even broader hospital network and lower premiums.

### **Portland, Oregon**

There are six hospitals in Portland; only one is an AMC, but five are top hospitals. The AMC is associated with the Oregon Health and Sciences University and includes a children's hospital. All six hospitals in Portland received higher than the state's average on the patient experience measure. Of the nine insurers that offer products in Portland, one (Moda) uses different networks for its various plans. Moda offers five silver plans in Portland with premiums ranging from \$159 to \$204 for a 27-year-old. The lowest-cost plan has a relatively narrow network that includes only two hospitals (both in the Providence system) and excludes the AMC. The network for Moda's midrange silver-tier plan includes four hospitals, one of which is the AMC. Moda's highest-cost silver-tier plan considers all six Portland hospitals to be in-network. The other insurers in Portland include between two and four hospitals, with the exceptions of PacificSource, which includes five hospitals, and Oregon's Health Co-op, which covers all six hospitals in the city.

HealthNet is a good example of an insurer that utilizes a relatively narrow network (it includes three hospitals in Portland and excludes the AMC) and is thus able to offer low premiums. Similarly, Providence is an integrated health system; thus, it is able to rely on its own hospitals in the hospital network and offer lower premiums. The two co-ops in Oregon—Health Republic and Oregon's Health Co-op—offer some of the most expensive products in the study area. This could be because they are unable to negotiate favorable rates with providers given their lack of historical relationships. However, the two co-ops take different approaches to building hospital networks: Health Republic offers a very limited network in Portland, but Oregon's Health Co-op includes all six hospitals in the city.

Overall, each hospital in Portland is included in the network of at least one insurer, and the AMC is included in at least one plan offered by six of the nine insurers in the city. Many insurance products offered in Portland also include health facilities across the border in Washington, though we do not include those facilities in our analysis.

### **Providence, Rhode Island**

Blue Cross Blue Shield Rhode Island is the only insurer offering individual coverage in Providence. Neighborhood Health Plan offers coverage to those with incomes under

250 percent of the federal poverty level. We only included Blue Cross Blue Shield Rhode Island in this analysis. Blue Cross Blue Shield Rhode Island's network includes all five hospitals in Providence, three of which are top hospitals and AMCs associated with Brown University's Warren Alpert Medical School. An individual purchasing Blue Cross Blue Shield Rhode Island through the state's Marketplace should have access to all acute-care hospitals in Providence. Because Blue Cross Blue Shield Rhode Island is the dominant insurer in Providence (and throughout Rhode Island), it does not face the same pressures to keep premiums low as carriers in other states. Consequently, it offers a broad hospital network at a relatively high cost.

### **Richmond, Virginia**

There are six general, acute-care hospitals in Richmond, two of which are top ranked and one of which is an AMC. Of the six hospitals in Richmond, three are Hospital Corporation of America (HCA, a major national chain) affiliates, two are in the Bon Secours system and one is the AMC associated with the Virginia Commonwealth University School of Medicine. All six hospitals in Richmond received relatively high scores on the patient experience measure. Of the four insurers that offer plans in Richmond, all but Anthem include all six hospitals in their networks. Anthem includes only the three HCA hospitals, none of which are top hospitals or AMCs. These three hospitals however, all scored well on the patient experience measure. The Anthem–HCA relationship, together with its leverage over nonhospital providers, keeps its premiums relatively low.

### **Cross-Study Area Observations**

The majority of insurers in our study areas offer the same hospital network, whether it is relatively narrow or relatively broad, for all its products. The number of hospitals included in these networks varies widely among insurers. One reason for this is insurers can lower costs by contracting with only a select number of hospitals and directing volume toward those facilities. It is not necessarily beneficial for insurers to contract with different hospitals for different health insurance products.

Some insurers offer only a limited network (for example, Colorado HealthOP and Denver Health each offer a narrow network plan that includes only one hospital); other insurers offer an extensive network (for example, Cigna in Denver and Oscar in Manhattan each include all hospitals in their respective areas). Most offer a network of hospitals, though not all hospitals in the area. In some cases, even though a carrier includes a relatively small number of hospitals, the included hospitals are AMCs or top hospitals. For example, in Colorado, Kaiser's network includes only three of Denver's nine hospitals, but two of these are top hospitals and



one is an AMC. In other words, even though the network is relatively narrow, it is likely that a consumer could still access high-quality care.

Looking across carriers, almost every hospital is included in at least one plan's network. AMCs are included in nearly all products offered in Manhattan, Baltimore, Richmond and Providence, but they are included in only about half of the products offered in Denver and Portland. With only a single AMC in Portland, one might expect that all insurers would include it in their hospital networks, but that was not the case. Conversely, in an area rich with AMCs such as Manhattan, every insurer includes at least two.

There is some correlation between the price of a product and the size of its network, but this relationship is not perfect. For example, Oscar in New York and CareFirst in Baltimore have very broad hospital networks but relatively low premiums. United in New York and Baltimore have broad networks and high premiums. Moda Health in Portland has a narrow network plan and the lowest premium, but MetroPlus in Manhattan has a fairly broad network, but offers the cheapest product. This is likely because of MetroPlus's existing relationships with providers having strengthened its ability to negotiate favorable rates.

In addition to price, plan type is somewhat correlated with network size. HMO and EPO products generally have more-restrictive networks, but this correlation is not strong. However, as noted earlier, consumers who purchase PPO and POS products have the option to receive care out-of-network, albeit at a higher cost to them.

Interestingly, some of the co-ops in our sample areas have some of the widest hospital networks: Colorado HealthOP's

PPO product, Evergreen, and Oregon's Health Co-op are among the widest hospital networks in Denver, Baltimore and Portland, respectively. However, this was not true in all cases. Health Republic, a co-op in Oregon, offers one of the highest-priced products in Portland but has the smallest hospital network in the city. Its hospital network includes only two hospitals, neither of which is the AMC in the city. One reason co-ops tend to have high prices and relatively broad networks is because they have a harder time negotiating favorable rates. This is because they are new participants in a market and thus lack pre-ACA market share.

We find that generally, it would be cumbersome for a consumer to discern the relative size of hospital networks among Marketplace products. If a consumer knows the name of a specific facility, it is possible to use an insurer's website to establish whether the facility is included in the network. But, as described earlier, each insurer's website is different, and there is no straightforward way to compare plans' networks directly. For all our study areas, with the exception of Denver, the consumer needs to leave the Marketplace and navigate a new website to learn about the plan's network. Leaving the Marketplace can be complicated for someone who is not computer-savvy, and doing so creates many distractions that could prevent an individual from ultimately selecting a plan. Unfortunately, these conditions mean that many consumers are likely unaware of exactly what they are purchasing on the Marketplace and whether his or her desired facility (or provider) is included in the network. Another paper in this series deals with this issue in greater depth, focusing on physician search functionality.<sup>2</sup> As we find in the current analysis, plans vary widely in the size of their hospital networks and some are very narrow. Thus, that consumers may not be aware of what they are buying is worrisome.

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## CONCLUSION

Our analysis shows that hospital networks vary widely among health insurance plans offered in Marketplaces in our study areas. Almost all insurers offer access to highly ranked hospitals in their networks. And all hospitals in an area are included in at least one insurer's network. Finally, though narrow networks usually lead to lower premiums, this is not always true. Some plans with broad networks have low premiums and some with narrow networks have high premiums. Thus, other factors affecting insurer negotiating power are important.

Of some concern is the finding that it is difficult for the average consumer to accurately compare the size and quality of hospital networks across insurance plans.

Consumers who know what hospital they want included in their network may be able to select an appropriate plan, but it would be difficult to otherwise compare plans by the breadth of hospital networks. Although outside the scope of this research, physician network adequacy is another important aspect of this discussion. Future improvements to state-based and federally facilitated Marketplace websites should better enable consumers to view the size and quality of each plan's network. In the meantime, this research indicates that in six major cities, most consumers can find a plan on the Marketplace that includes his or her desired hospital, and that even relatively narrow networks are likely to include at least one high-quality hospital.

**Table 2a. General Acute-Care Hospital Networks for Marketplace Plans in Denver and Aurora, Colorado**

Insurer	Plan type	Premium range for 27-year-old	Children's Hospital Colorado <sup>*,+a</sup>	Denver Health Medical Center <sup>*,+</sup>	Exempla St. Joseph Hospital <sup>^</sup>	Medical Center of Aurora <sup>*</sup>	National Jewish Health <sup>*,+^</sup>	Porter Adventist <sup>*</sup>	Presbyterian-St. Luke's Medical Center <sup>*</sup>	Rose Medical Center <sup>*,^</sup>	University of Colorado Hospital <sup>*,+^</sup>
Kaiser	HMO	\$201 to \$214			✓		✓	✓			
Humana	HMO	\$205 to \$208	✓					✓			
Colorado HealthOP	EPO	\$224						✓			
Colorado HealthOP	PPO	\$258	✓	✓			✓	✓		✓	✓
Denver Health	HMO	\$225		✓							
Denver Health	HMO	\$262	✓	✓							✓
Rocky Mountain Health Plan	HMO	\$254 to \$320	✓		✓		✓	✓	✓	✓	
Cigna	PPO	\$261 to \$293	✓	✓	✓	✓	✓	✓	✓	✓	✓
Anthem	HMO	\$262 to \$291				✓			✓	✓	✓
Access Health	PPO	\$372 to \$377	[provider search was unavailable at the time of our study]								

Key

\* Top hospital

+ Academic Medical Center

^ Hospital ranked equal to or higher than the state average for a patient experience measure: "percent of patients who reported they would definitely recommend the hospital." In Colorado the state average is 76 percent.

a Patient experience data not available for most recent reporting period.

**Table 2b. General Acute-Care Hospital Networks for Marketplace Plans in Baltimore, Maryland**

Insurer	Plan type	Premium range for 27-year-old	Bon Secours Baltimore	Greater Baltimore Medical Center*^	Harbor Hospital*^	Johns Hopkins Hospital*+^	Johns Hopkins Bayview Medical Center*+^	Maryland General Hospital*+^	MedStar Franklin Square Medical Center*+^	MedStar Good Samaritan*^	MedStar Union Memorial*^	Mercy Medical Center*+^	Sinai Hospital of Baltimore*^	St. Agnes Hospital*	University of Maryland Medical Center*+^
CareFirst	HMO/POS	\$187 to \$194	✓	✓	✓	✓	✓					✓	✓		✓
BCBS MSP	PPO	\$197	✓	✓	✓	✓	✓					✓	✓		✓
Evergreen	HMO/POS	\$207 to \$259		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Kaiser	HMO	\$221 to \$233		✓										✓	
United	EPO	\$270 to \$282	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓

Key

\* Top hospital

+ Academic Medical Center

^ Hospital ranked equal to or higher than the state average for a patient experience measure: "percent of patients who reported they would definitely recommend the hospital." In Maryland the state average is 67 percent.

**Table 2c. General Acute-Care Hospital Networks for Marketplace Plans in New York (Manhattan), New York**

Insurer	Plan type	Premium range for 27-year-old	Bellevue Hospital Center	Beth Israel Medical Center*+^	Harlem Hospital Center*	Lenox Hill Hospital*+^	Memorial Sloan-Kettering Cancer Center*+^	Metropolitan Hospital Center	Mount Sinai Medical Center*+^	NY Downtown Hospital	NYU Langone Tisch Medical Center*+^	NY Presbyterian University Hospital of Columbia and Cornell*+^	St. Luke's-Roosevelt Hospital Center*+^
MetroPlus	HMO	\$359 to \$374	✓	✓	✓			✓			✓		
Health Republic	EPO	\$367 to \$387	✓	✓	✓		✓	✓	✓		✓	✓	✓
Oscar	EPO	\$385 to \$420	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
EmblemHealth	HMO	\$385		✓		✓			✓				✓
Fidelis Care	HMO	\$390	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Empire Blue Cross	HMO	\$418 to \$439		✓		✓			✓	✓		✓	✓
Healthfirst	HMO	\$440	✓	✓	✓	✓		✓	✓	✓			✓
Affinity	HMO	\$440 to \$442		✓		✓			✓		✓	✓	✓
United	EPO	\$642	✓	✓	✓	✓		✓		✓	✓	✓	✓

Key

\* Top hospital

+ Academic Medical Center

^ Hospital ranked equal to or higher than the state average for a patient experience measure: "percent of patients who reported they would definitely recommend the hospital." In New York, the state average is 65 percent.

^ Patient experience data not available for most recent reporting period.

**Table 2d. General Acute-Care Hospital Networks for Marketplace Plans in Portland, Oregon**

Insurer	Plan type	Premium range for 27 year-old	Adventist Medical Center <sup>^</sup>	Legacy Emanuel Hospital and Health System <sup>*^</sup>	Legacy Good Samaritan Hospital <sup>*^</sup>	Oregon Health and Science University <sup>*+^</sup>	Providence Portland Medical Center <sup>*^</sup>	Providence St. Vincent Medical Center <sup>*^</sup>
Moda	PPO	\$159					✓	✓
	PPO	\$165	✓	✓	✓	✓		
	PPO	\$175 to \$204	✓	✓	✓	✓	✓	✓
HealthNet	POS	\$176 to \$181	✓	✓	✓			
Providence	EPO	\$191 to \$232					✓	✓
PacificSource	PPO	\$203 to \$216		✓	✓	✓	✓	✓
LifeWise	PPO	\$203 to \$220				✓	✓	✓
Kaiser Permanente	HMO	\$210 to \$222				✓		✓
Health Republic	EPO	\$210 to \$221					✓	✓
Oregon's Health Co-op	PPO	\$223 to \$230	✓	✓	✓	✓	✓	✓
Bridgespan	PPO	\$227.87	✓			✓		

Key

\* Top hospital

+ Academic Medical Center

<sup>^</sup> Hospital ranked equal to or higher than the state average for a patient experience measure: "percent of patients who reported they would definitely recommend the hospital." In Oregon, the state average is 72 percent.

**Table 2e. General Acute-Care Hospital Networks for Marketplace Plans in Providence, Rhode Island**

Insurer	Plan type	Premium range for 27-year-old	Miriam Hospital <sup>*+^</sup>	Rhode Island Hospital <sup>*+^</sup>	Women & Infants Hospital <sup>*+^</sup>	Roger Williams Medical Center	St. Joseph's Health Services RI
Blue Cross Blue Shield Rhode Island	PPO	\$225 to \$246	✓	✓	✓	✓	✓

Key

\* Top hospital

+ Academic Medical Center

<sup>^</sup> Hospital ranked equal to or higher than the state average for a patient experience measure "percent of patients who reported they would definitely recommend the hospital." In Rhode Island, the state average is 72 percent.

**Table 2f. General Acute-Care Hospital Networks for Marketplace Plans in Richmond, Virginia**

Insurer	Plan type	Premium range for 27-year-old	Virginia Commonwealth University Medical Center * + ^	Bon Secours St. Mary's Hospital * ^	Bon Secours-Richmond Community Hospital ^	Chippenhams Hospital (Hospital Corporation of America) ^	Johnston-Willis Hospital (Hospital Corporation of America) ^	Henrico Doctors' Hospital (Hospital Corporation of America) ^
CoventryOne	POS	\$188	✓	✓	✓	✓	✓	✓
Anthem	HMO	\$208 to \$215				✓	✓	✓
Aetna	PPO	\$260 to \$284	✓	✓	✓	✓	✓	✓
Optima	HMO	\$285	✓	✓	✓	✓	✓	✓

*Key*

\* Top hospital

+ Academic Medical Center

^ Hospital ranked equal to or higher than the state average for a patient experience measure: "percent of patients who reported they would definitely recommend the hospital." In Virginia, the state average is 69 percent.

<sup>a</sup> VCU Medical Center includes Children's Hospital of Richmond.

## ENDNOTES

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