

# **The Professional Provider-Health Plan Workgroup**

**Office of the Health Insurance Commissioner**

**233 Richmond Street- Main Hearing Room**

**Minutes**

**April 29,2008**

**(viii) By February 1, 2008, a report to the legislature on the feasibility of occasional contract renegotiations between plans and the providers in their networks.**

**(ix) By May 1, 2008, a report to the legislature reviewing impact of silent PPOs on physician practices.**

## **1. Attendance:**

**Present: Lorraine Roberts, Paul Carey, Robert Cambio, Steve Detoy, Joel Kaufmann M.D., BJ Perry, Christopher Dooley, Charlene Denton**

**Absent: Maureen Brousseau**

**OHIC Staff: Patricia Huschle**

## **2. Welcome and Introductions**

**Pat Huschle welcomed the group back.**

### **3. Discussion on “occasional renegotiation between plans and network providers”.**

**Steve DeToy of the Rhode Island Medical Society explained that providers feel that they do not have “leverage” to negotiate with the local health plans, especially if they are not part of a large group practice. In addition, contracts are presented on a “take it or leave it” basis. According to the contracts, plans may unilaterally make policy and/or administrative changes and the providers’ only recourse is to terminate. Steve indicated that the provider community wants an opportunity to negotiate policy changes before they become effective. Paul Carey also expressed frustration that individual provider offices have no leverage with the local health plans. BJ Perry and Bob Cambio representing the plans indicated that their provider contracts do allow for a provider to express their desire to renegotiate the provider contract at any time. The contracts also allow for the plans to make administrative changes with notice.**

**Pat Huschle shared with the group the recommendations that were made as a result of the recent Primary Care Commission that studied the feasibility of unrelated providers jointly negotiating with the health plans. Similar frustrations were expressed at those meetings. The group agreed that some of the recommendations from that commission would be reflected in the Workgroup report on this topic.**

#### **4. Discussions on impact of “Silent PPOs”**

**Silent PPOs were defined as health plans that “sell” or “rent” contracts or discounts agreed to by a physician practices to other entities without the knowledge of the MD practices. Current contracts allow the plans and their “affiliates” access to the negotiated rates. Paul Carey indicated that the problem with this is that the providers’ office does not recognize the payer in these instances and the billing, payment and utilization review rules may vary, making it difficult to determine what they are required to do in order to be paid. Lorraine Roberts also indicated that these arrangements add significantly to the offices administrative burden.**

**Ideally, the providers want to know who the “affiliated” are under these agreements.**

**As many of these types of networks as they are domiciled out of state, the state does not have jurisdiction. Steve will look into the statutes passed in other states on this issue.**

#### **5. Next Steps**

**Pat Huschle will draft reports outlining the above and will forward to the group by the end of May. No additional meetings are scheduled on this topic.**