

From the PHP Team

# The Value of Provider Networks for Your Group Health Plan

*Provider networks are key to maintaining access to quality care and affordability for your employees' health plan*



Provider networks have been a key element of private health insurance coverage for years—providing employer health plans with access to a broad range of hospitals, doctors, and other providers who have proven track records of providing high-quality, efficient care. Well-

designed health networks deliver the right balance of quality, affordability, and choice for employees, and can even help to reduce premiums by promoting more affordable coverage by rewarding quality and effectiveness.

### **How does a provider network protect the interests of employers and members?**

A provider network protects the best interests of members by requiring facilities and doctors to go through a thorough credentialing process in order to participate in the insurance carrier's program. Medical credentialing is the process an insurance carrier takes of objectively evaluating and verifying a medical doctor's current license, training, experience, competence, and ability to provide a particular service and/or perform specific procedures. An insurance carrier requires this credentialing process to protect members.

Another measure an insurance carrier takes to assure employers are getting the most from their health plan is to review claims that have been filed for procedures and services received. The insurance carrier evaluates services based upon quality standards to make sure that patient follow-up procedures have been met. Also, the carrier verifies that unnecessary expenses have not been added to the total cost of treatment.

Insurance companies may also employ pharmacists to evaluate member medications, searching for drugs that may have negative interactions, while searching for cost-effective alternatives to prescriptions. These measures protect member health and an employer's overall claims experience.

### **How does a provider network help make healthcare more affordable?**

Provider networks enable insurance carriers to make care more affordable by negotiating more competitive prices with doctors and hospitals in the network. Network providers (doctors and hospitals) agree not to bill members for more than the amount agreed upon between the carrier and provider, protecting members from "balanced billing" and extra, often unexpected, costs.

### **How can you make sure your employees have access to the doctors and facilities they know and trust?**

When making a decision about health plan coverage, employers should determine if the doctors and hospitals their employees know and trust are included in a plan's network. Health plans are required under state and federal law to have up-to-date provider directories and most provide interactive search tools to help members locate doctors and facilities included in a plan. PHP provides an online search tool to determine if participating providers are part of various health plans. This can help employers determine which plan best meets their employee's medical needs and expectations for care.

### **Work with a trusted advisor when making a final decision.**

When you're ready to consider options for your employee health benefit plan, work with a trusted advisor who can ensure that you're getting the best plan design and competitive rates to reach your employee's needs and your financial goals.

PHP is a Midwest-based health insurance carrier and, as a dedicated local business, we reinvest in the communities we serve. Our client's success is our success, so we're here to support your decision-making and guide your best interests along the way.