

**Pennsylvania Department of Health**  
**Bureau of Managed Care**

**Technical Advisory: BMC-2013-01**

**Title:** **Technical Advisory Interpreting 28Pa.Code §9.679 (relating to access requirements in service areas).**

The Pennsylvania Department of Health's (the Department) regulations relating to managed care organizations (28 Pa. Code ch. 9) (relating to managed care organizations), require that, in order for plans to operate in a particular service area, the plan must establish that it has an adequate network of health care providers in that area. See 28 Pa. Code § 9.679 (access requirements in service areas). These regulations are intended to carry out the seminal requirement of Article XXI of the Insurance Company Law of 1921 (40 P.S. § 991.2101 et seq.), commonly referred to as "Act 68," which requires that a managed care plan shall assure the availability and accessibility of adequate health care providers in a timely manner, which enables enrollees to have access to quality care and continuity of health care services. (40 P.S. §991.2111(1)). There is a growing interest in the health insurance market for the use of tiered network arrangements by managed care plans, and the Bureau of Managed Care has received requests from several managed care plans to review a tiered network for emerging products. For some of these arrangements, member out-of-pocket costs (for example, costs used to determine deductibles and policy year limitations on out-of-pocket costs) are aggregated across the in-network tiers, whereas others have the costs for each tier applying only for that tier. These requirements can severely impact enrollees who fail to completely understand the consequences of a choice of one type of plan over the other. In order to make certain that the networks offered by these plans are adequate for the enrollee, the Bureau of Managed Care will review tiered networks for network adequacy in the following manner:

For networks that have two or more in-network tiers, and where member out-of-pocket costs are aggregated across the in-network tiers, the total in-network list of providers will be reviewed for adequacy, without any analysis by individual tier.

For networks that have two or more in-network tiers where member out-of-pocket costs are calculated by tier, each tier must have a network that meets the regulatory requirements for network access.

**Contact Information:**

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This Technical Advisory was established on XXXXXXXX.