Any Willing Provider Laws Should BeOpposed

**Issue.** In recent years, some states have proposed establishing any willing provider (AWP) mandates for health plans. AWP legislation requires health plans to contract with any health care provider willing to meet the plan’s contract terms – even if the plan’s network already includes enough providers to meet patient needs.

**Background:** Health plans use sophisticated analysis to access and monitor both the cost and the quality of health services provided through managed care networks. For example, “provider profiling” systems allow plans to identify hospitals and physicians with cost-effective, high-quality practice patterns. Network providers are selected for the quality and efficiency in their overall approach to medical practice, not simply for their willingness to offer discounts. And, managed care networks are shaped to meet members’ medical needs and achieve a balanced patient base for the participating providers.

**Problems with Any Willing Provider Laws:** Network-based health plans are essential to affordable health care. They are the fundamental building blocks to achieve price competition and more efficient delivery of necessary health services. Any willing provider laws are detrimental to these efforts because they:

- **Make it impossible for health plans to select physicians on the basis of efficiency and quality** based on sophisticated profiling of physician practices. Many any willing provider laws make it economically unfeasible to deny physicians inclusion in networks because of tremendous administrative “burden of proof” requirements on health plans. These requirements force health plans to reveal proprietary information and to spend considerable resources to demonstrate that certain physicians cannot meet network criteria.

- **Interfere with a health plan’s ability to contract with high quality providers** and ensure a patient volume sufficient to generate expertise. One of the major causes of high health care costs is an oversupply of professionals and facilities in many areas of the country. Some of these providers perform a very low volume of specialty procedures, and therefore have no expertise in these procedures and poor patient health outcomes. In addition, ensuring that providers have an adequate and consistent patient volume eliminates the incentive to provide unnecessary services.

- **Increase health claims costs.** These laws weaken the incentive for providers to negotiate favorable payment arrangements with insurers in exchange for assured patient volume.
• **Raise administrative costs** by forcing health plans to credential and monitor a larger number of providers than are needed to meet member needs.

• **Impede quality management** by making it necessary for health plans to review every provider claim, rather than selecting providers whose practice patterns meet established quality and appropriate care guidelines.

**Conclusions: “Guaranteed” Employment is Nonexistent in Other Industries.** AWP mandates create a presumed “right to employment or contract” – a right that does not exist in any other industry or even elsewhere within the health care sector. Blue Cross and Blue Shield of Oklahoma opposes the enactment of any willing provider laws which compel health plans to admit any health provider willing to abide by the terms of participation. These proposals are a major obstacle to health care affordability, because they undermine the ability of health plans to select high quality, efficient providers. Since the cost and quality of care vary greatly by provider, health plans must be able to choose participating providers on behalf of the consumer.

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