



In the Literature

Highlights from Commonwealth Fund-Supported Studies in Professional Journals

Do Patients Continue to See Physicians Who Are Removed from a PPO Network?

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Synopsis

In a study that examined the effect of excluding physicians from a preferred provider organization network, researchers found that most patients did not continue to see excluded physicians. While patients who continued to see excluded physicians reduced their use of services, there was no compensating increase in emergency department use or hospitalization.

The Issue

Tiered networks, which provide patients with a choice of medical providers at different price points, are an increasingly a common feature of health insurance plans. These pricing structures are intended to control costs and improve care quality by steering cost-sensitive patients toward high-performing doctors. Despite the popularity of the tiered-pricing approach, its effectiveness had not previously been studied. This study examined the effect of narrowing a physician network to determine if patients continued to see physicians who were excluded from a network (and thus subjecting themselves to higher out-of-pocket costs), if the changes caused patients to visit their physicians less frequently, and if there was a subsequent increase in emergency department use or hospitalization.

"If network changes cause patients to alter care-seeking patterns, they may be useful tools in value-based purchasing, but in so doing, they may also pose a threat to continuity of care."

Key Findings

- Of the patients who had seen physicians who were subsequently excluded from the network, 81 percent did not continue seeing that physician. An additional 7 percent returned to their excluded physician only once.

- Patients who continued using excluded physicians tended to cut back on services. They reduced their office visits by a mean of 0.9 visits per year and spent less per visit than a comparison group.
- Patients who continued seeing excluded physicians did not experience significant increases in emergency department use or hospitalization.
- Older patients were more likely to discontinue seeing excluded physicians.
- Patients with lower hourly wages were significantly more likely to remain loyal to an excluded physician. Geographic factors or language may have had an impact on this outcome.

Addressing the Problem

A change in the pricing of health care providers significantly altered patients' behavior in terms of their willingness to change providers and their consumption of care. Patients who remained loyal to their physicians significantly reduced their office visits and use of services. This, however, did not trigger a subsequent increase in use of emergency department and hospital services, as might have been expected. Taken together, these results indicate that tiered pricing can be an effective tool in changing patient behavior, and especially beneficial if excluded physicians are high-cost, low-quality, or both. Moreover, the potential loss of patients might motivate physicians to improve their performance.

The finding that lower-income patients were more likely to stay loyal to excluded doctors, however, raises questions about these patients' ability to access needed care. Outreach efforts to connect such patients with culturally and linguistically appropriate providers may be necessary, the authors conclude.

About the Study

The researchers studied the effects of a natural experiment: the narrowing of a preferred physician organization network that insures union members in the Las Vegas metropolitan area. After cost and quality data were reviewed for participating physicians, 48 of 1,800 physicians were removed from the network. As a result of the narrowing, a simple office visit to an out-of-network physician cost \$50 to \$60, compared with \$15 for an in-network physician. The plan covers approximately 56,000 subscribers and their dependents, many of whom are low-wage earners and Hispanic.

The Bottom Line

Using cost-sharing to steer patients toward preferred physicians—those who provide superior quality at lower cost—may be an effective tool for improving value in health care.

Citation

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