

FILED

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STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In re
Seattle Children's Hospital's Appeal of
OIC's Approvals of HBE Plan Filings

NO. 13-0293
OFFICE OF INSURANCE
COMMISSIONER, BRIDGESPAN
HEALTH COMPANY AND PREMIERA
BLUE CROSS' JOINT MOTION IN
LIMINE REGARDING HOSPITAL
ADMINISTRATIVE EXPENSE

I. BACKGROUND

Network adequacy requirements exist solely for the benefit of health plan enrollees. Accordingly, the OIC assesses network adequacy from the enrollee-consumer's perspective and approves a health plan if it provides access to covered services at in-network cost.

Q When the OIC is reviewing a plan for approval for the exchange, why does it review network adequacy as part of its review?

A Because the contracts that have network access to them are guaranteeing services at an in network cost share rate, so we look to make sure that there are (sic) access to covered services -- well, access to medically necessary covered services at the in network cost share.

Q Does it matter in the OIC's review whether for the purposes of network adequacy whether the services are available in network or out of network?

A It matters that we look at it from the consumer perspective and that the consumer can get access to services at in network cost share.

OIC Healthcare Consumer Access Manager Jennifer Kreitler deposition, 56:16 – 57:5.

OFFICE OF INSURANCE COMMISSIONER, BRIDGESPAN
HEALTH COMPANY AND PREMIERA BLUE CROSS' JOINT
MOTION IN LIMINE REGARDING HOSPITAL
ADMINISTRATIVE EXPENSE – 1

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1 Premera and BridgeSpan ensure enrollee access to pre-authorized specialty services at
2 “in network cost share” through 1) contracts with participating providers whereby the
3 providers agree to accept defined reimbursement and bill patients only for the coinsurance
4 (deductible and co-pay) provided for in their contract with the health carrier; and 2) single
5 case agreements¹ [“SCA”] with non-contracted providers. In return for generous
6 reimbursement, the provider agrees in the SCA not to bill the patient beyond what the patient
7 would pay for in-network care. This is authorized by WAC 284-43-200 (3).

8 In any case where the health carrier has an absence of or an insufficient number
9 or type of participating providers or facilities to provide a particular covered
10 health care service, the carrier shall ensure through referral by the primary care
11 provider or otherwise that the covered person obtains the covered service from
12 a provider or facility within reasonable proximity of the covered person *at no
greater cost to the covered person than if the service were obtained from
network providers and facilities, or shall make other arrangements
acceptable to the commissioner.* [Emphasis added]

13 Premera and BridgeSpan offered to contract with SCH. SCH declined the offers,
14 concluding it could secure higher reimbursement through single case agreements with
15 Premera and BridgeSpan. SCH contends, however, that this has added administrative expense
16 in its billing Department. For purposes of this motion, the moving parties accept that.

17 SCH intends to offer evidence and argument concerning the alleged administrative
18 expense associated with single case agreements. This evidence and argument should be
19 excluded on three bases.

20 First, the issue in this matter is whether the OIC complied with state and federal law in
21 approving the Premera and BridgeSpan Exchange health plans. Nowhere in state or federal
22

23 _____
24 ¹ The terms single case agreement, benefit level exception and spot contract refer to agreements
25 between a health plan and a non-contracted provider applicable to a specific case. In this memorandum
26 these devices are generically referred to as “single case agreements.”

1 regulations is provider administration included as a criterion or consideration in the
2 regulator's assessment of network adequacy.

3 Second, any alleged administrative expense could not have been incurred until January
4 2014, i.e., it was not known to the regulator in July 2013.

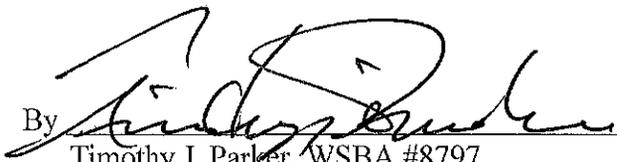
5 Third, if the expense associated with single case agreements is to be considered, the
6 increased reimbursement received by the hospital pursuant to such agreements as compared
7 with network reimbursement rates must then be considered – but to what end? Ultimately,
8 this is an unproductive inquiry into irrelevant matters that will unnecessarily consume hearing
9 time.

10 II. CONCLUSION

11 An Order excluding argument and evidence about Seattle Children's Hospital's cost
12 structure is requested.

13 DATED this 11th day of August, 2014.

14 CARNEY BADLEY SPELLMAN, P.S.

15
16
17 By  _____
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s/ via e-mail authorization
Charles D. Brown
Staff Attorney, Legal Affairs Division
Office of the Insurance Commissioner

OFFICE OF INSURANCE COMMISSIONER, BRIDGESPAN
HEALTH COMPANY AND PREMIERA BLUE CROSS' JOINT
MOTION IN LIMINE REGARDING HOSPITAL
ADMINISTRATIVE EXPENSE – 4

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CERTIFICATE OF SERVICE

I, Christine Williams, under oath hereby declare as follows: I am an employee at Carney Badley Spellman, P.S., over the age of 18 years, and not a party to nor interested in this action. On August 11, 2014, I caused to be delivered via e-mail and U.S. mail a copy of the foregoing document on the following parties at the last known address as stated:

<p>OIC Hearings Unit – ORIGINAL Office of the Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501 Email: kellyc@oic.wa.gov</p> <p>Hon. George Finkle (Ret.) Email: gfinkle@jdrllc.com forbes@jdrllc.com</p>	<p><u>Attorney for Seattle Children’s Hospital</u> Michael Madden Carol Sue Janes Bennett Bigelow & Leedom, P.S. 601 Union Street, Suite 1500 Seattle, WA 98101 Email: mmadden@bblaw.com csjanes@bblaw.com</p>
<p><u>Legal Affairs Division</u> Charles Brown Legal Affairs Division Office of the Insurance Commissioner P.O. Box 40255 Olympia, WA 98504-0255 Email: charlesb@oic.wa.gov</p>	<p><u>Attorney for Premera Blue Cross</u> Gwendolyn C. Payton Lane Powell PC 1420 Fifth Avenue, Suite 4100 Seattle, WA 98101-2338 Email: paytong@lanepowell.com</p>

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF WASHINGTON THAT THE FOREGOING IS TRUE AND CORRECT.

DATED this 11th day of August, 2014, at Seattle, Washington.



Christine Williams, Legal Assistant