

Network Adequacy and Telemedicine

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WashingtonState
Telehealth Collaborative

Network Adequacy Definition

- Refers to a health plan's ability to provide access to in-network providers, health care services, and hospitals to meet enrollee's health care needs
- Impacts
 - **Patients**
 - Access to physicians, hospitals, and other health care providers depend on a range of factors, including the breadth, size, and distribution of a health plan's provider network
 - Inadequate networks create obstacles for patients seeking new or continued care, and limit their choice of providers and facilities
 - **Providers**
 - Inadequate networks can negatively impact a practice's negotiating power, lead to excessive appointment wait times, and contribute to increased physician burnout

Source: <https://www.ama-assn.org/system/files/issue-brief-health-plan-network-adequacy.pdf>

Incorporating Telehealth into Network Adequacy: Risks & Benefits

- **Benefits**

- Can directly incentivize investments in telehealth
- May indirectly facilitate greater investments in in-person provider networks

- **Risks**

- Potential for de-investment in in-person care – may reduce access to necessary in-person providers
- Exacerbated inequities in access and outcomes

Sources

- <https://www.ama-assn.org/system/files/issue-brief-health-plan-network-adequacy.pdf>
- <https://www.healthaffairs.org/content/forefront/telehealth-and-network-adequacy-recipe-advance-access>

Regulations/Policies

- The Centers for Medicare & Medicaid Services (CMS) 2025 Notice of Benefit and Payment Parameters final rule establishes standards for travel distance to see different types of healthcare providers within state marketplaces for plan years beginning on or after January 1, 2026.
 - This clarifies certification requirements for qualified health plans and mandates information submission regarding telehealth services by 2026
 - Network adequacy reviews also must be conducted to evaluate a plan's compliance with network adequacy standards
 - Final rule is found [here](#).
- S.B. 5821 establishes a uniform standard for creating an established relationship for the purposes of coverage of audio-only telemedicine services
 - Network adequacy concerns were brought up at the 2024 legislative session, including that an insurance carrier may be able to substitute a telemedicine-only provider for the purpose of constituting network adequacy
 - See final bill report [here](#).
 - See bill text [here](#).
- **Others?**