



## HORIZON AGREEMENT SPARKS CONCERNS FOR SOME HEALTHCARE PROVIDERS

LILO H. STANTON | AUGUST 13, 2019

If approved by the state, American Specialty Health Network would oversee Horizon's acupuncture, chiropractic services, physical therapy and occupational therapy claims



Concerns about overuse of certain costly pain treatments — like back surgery and prescription opioids — have led patients, policymakers and insurance companies to embrace acupuncture, chiropractic care and other therapies once considered alternative into mainstream medicine.

But the growing popularity — and potential overuse — of these pharmaceutical-free options has also raised questions for New Jersey's largest insurance company, Horizon Blue Cross Blue

Shield, which covers some 3.7 million people.

According to various sources, Horizon members engage chiropractic services at rates that are more than double the national benchmark. In addition, New Jersey has the third-highest use of physical therapy in the country.

Horizon plans to call on **American Specialty Health Network**, a 30-year-old Indiana-based company, to review claims for a handful of treatments using established best-practice guidelines. ASH already performs similar utilization reviews for 140 insurance plans nationwide, including Cigna policies sold in New Jersey.

Horizon says the change — which still requires state approval — is consistent with the goals of its growing **value-based care** initiatives, which reward providers for quality, not quantity, in an effort to improve patient outcomes and better control costs. Studies show that up to 30 percent of all healthcare costs involve procedures that have no real patient benefit, Horizon said.

“The delivery of such services leads to higher premiums and out-of-pocket costs for our members. Horizon is committed to empowering our members to achieve their best health and to help them get the care they need,” said company spokesman Tom Vincz. “We're equally committed to collaborations that improve healthcare quality, member experience and help make healthcare more affordable for all.”

Horizon's proposed subcontract with ASH, which is expected to take effect in January, would apply to acupuncture, chiropractic services, physical therapy and occupational therapy; the company also anticipates adding speech therapy once the state signs off. If the state Department of Banking and Insurance gives its approval, ASH will process these services for Horizon policies that cover 2.6 million New Jerseyans, according to the insurance company.

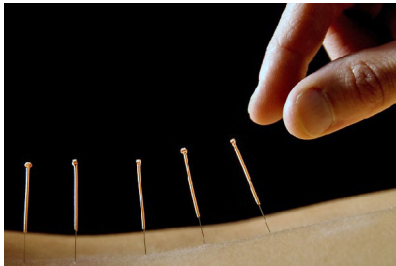
### Concern over medical necessity reviews

But the arrangement with ASH has triggered fears for several provider groups, including chiropractors and acupuncturists. In particular, they worry that ASH's use of medical necessity reviews will harm patients by improperly limiting their access to treatment.

The protocol requires ASH's in-house experts to review a patient's treatment plan after five sessions to determine if it aligns with best-practice guidelines before the company approves more additional visits; subsequent reviews can be required after more treatments. This process can take from 24 hours to more than a month to accomplish, Horizon has told providers, although ASH said on average it takes less than a day.

"This isn't about weeding out unnecessary treatment, in our opinion – this is about reducing patients' access to care, creating another roadblock for those who are seeking natural, non-pharmacological approaches," said Amy Boright Porchetta, executive director of the Association of New Jersey Chiropractors, which has led a campaign that it said prompted more than 125,000 emails to DOBI about the deal.

"Horizon already has cost-containment measures in place – a provider fee schedule as well as a limit of 30 chiropractic visits per year built into their plans," she said.



Jason Sargis, an acupuncturist and president of the New Jersey Association of Acupuncture and Oriental Medicine, said medical necessity reviews are particularly problematic with treatments that require repetition. While acupuncturists have been **battling** with physical therapists in recent years over the use of a technique called dry needling, Sargis said the professions are working together on this campaign.

"The benefits of acupuncture are realized incrementally. Delays caused by continually reviewing medical necessity are an obstacle to successful patient care," Sargis said. As a last resort for some individuals with chronic pain, "these patients can simply not afford to have their quality of life threatened by excessive paperwork demands," he said.

### Impact on providers' bottom lines

Some providers are also worried about the impact this change will have on their bottom line. For example, Sargis said while ASH has suggested they will pay acupuncturists between \$40 and \$50 for a session, Horizon currently reimburses this work at \$75.

Neither company was willing to discuss their plans for paying these providers. "We're not at liberty to discuss reimbursements rates, but savings to our members will be driven by addressing those services that do not improve patient health," Vincz said.

Horizon also pushed back forcefully on suggestions that their potential contract with ASH would harm patient care. "The terms of every member's coverage remain the same – there is no change in cost-sharing responsibilities and no new limits imposed on the scope or frequency of visits for Horizon members," Vincz explained.

In fact, many providers have a proven track record of working within ASH's best practices, and the company has rewarded them with less frequent reviews, Horizon said. For example, based on the roughly 12,000 claims ASH processed for Cigna's New Jersey customers for 2018 services, more than 90 percent were approved without need for a medical review. Plus, more than nine out of 10 customers said they got the care they needed with ASH, the company said.

In addition, ASH's president and COO, Robert White, said its work involves more than medical necessity reviews. The company also offers doctors and other clinicians other resources like analytics, assessments and peer-to-peer education to help them provide better, more efficient care; patients under ASH's care also have access to free nursing consults, online self-care tools and, for physical therapy, additional telehealth benefits, he said.

Given the patterns of heavy treatment use in the Garden State, White said, "It would be best practice to understand more thoroughly the reasons for such high utilization rates and to try and get those under better control. ASH has a proven track record of working collaboratively with providers nationwide who are committed to delivering value-based care."

### ASH questioned over denied claims

But the provider groups questioned ASH's approach. Porchetta, with the chiropractors association, said with Cigna policies, the company "routinely denies medically necessary care with unreasonable standards." She noted that ASH paid \$11.7 million in May to settle a multistate class-action lawsuit by chiropractors – including several from New Jersey – whose patients were denied claims; both ASH and Cigna denied any wrongdoing.



*Amy Boright-Porchetta, executive director of the Association of New Jersey Chiropractors*

"How can a patient receive the care they need – and access the chiropractic benefits they are paying for in their insurance premiums – when reasonable care requests are repeatedly denied?" Porchetta asked.

In New Jersey, ASH was a party to a 2013 **consent order** from DOBI in relation to several Cigna plans; the order based on reviews of claims generated between 2010 and 2012. DOBI found errors in a quarter of the claims filed and noted that ASH improperly denied more than \$10,000 in benefits, delayed payments by up to six months, and failed to provide clear, accurate explanations to patients. ASH said Monday it worked with the state to address all the issues raised.

"Determination of patient care should not be in the hands of a third-party utilization management company," said ANJC president Dr. Jordan Kovacs. "Care should be determined between doctors and patients. We have seen how the approach of medical necessity review has failed patients time and time again, and we are going to do our best to defend our patients' rights for quality medical care in New Jersey."

Regardless of Horizon's plans, DOBI said the company has yet to submit the contract for its approval. The state has two months to review and assess any proposal, using publicly available settlements and other records to help make a decision, according to officials.



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