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# Medical Association of Georgia

*Building a Better State of Health Since 1849*

February 16, 2017

Commissioner Ralph T. Hudgens  
Office of Insurance and Safety Fire Commissioner  
Two Martin Luther King, Jr. Drive  
West Tower, Suite 704  
Atlanta, Georgia 30334

Dear Commissioner Hudgens:

With nearly 8,000 members, the Medical Association of Georgia (MAG) has been the leading voice for physicians in every specialty and practice setting in the state since 1849. MAG is very appreciative for the opportunity to provide comments to the Georgia Department of Insurance (DOI) as it begins to set forth the rules governing rental networks in Georgia, specifically Regulation 120-2-44-.11.

Last year, the General Assembly passed S.B. 158, a measure which requires greater insurer disclosure and transparency. It will ensure that physicians get paid their contracted rate in the event their network is leased, and it will require every health insurer that has a rental network in Georgia to register with your office.

Rental networks represent a significant burden for patients and physicians. It is not uncommon for a physician's practice to be led to believe that a patient is covered by one insurance plan at the time of service and then be paid by another plan (and at a reduced rate) once the claim is submitted. As you can imagine, it is becoming increasingly difficult for both physicians and patients to know what health insurer is responsible paying a claim. Physicians are also often forced to choose between being paid at a rate that is lower than the one they agreed to in the original contract or not getting paid at all. At the end of the day, the preferred provider organization (PPO) is the only entity that realizes a benefit in this system; the physician is effectively forced to accept less pay and the patient's financial responsibilities are increased because the rental network discount is applied only to the PPO.

By adopting Regulation 120-2-44-.1, rental networks will be required to register and comply with all rules promulgated by DOI. MAG believes this will prove helpful for physicians and patients going forward as it may alleviate some of the confusion relating to payment and the provision of services.

Please contact MAG Executive Director Donald J. Palmisano Jr. at [dpalmisano@mag.org](mailto:dpalmisano@mag.org) or 678.303.9251 with any questions or in the event you need additional information.

Sincerely,

Steven M. Walsh, M.D.  
President

SMW/kr

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