



MAG Advocacy Brief (2015)

SUPPORT: LIMITING RENTAL NETWORKS

MAG supports legislation that would limit rental networks in Georgia.

A rental network involves a health insurer that rents or sells its network of physicians to another health insurer. These second-level insurers then include the physicians in their health insurance plans – and pay the physicians an even deeper discount – even though they don't have a contract with the physicians.

It's not uncommon for physicians to offer their services to a health insurer at a discounted rate because the higher patient volume offsets the costs. However, the aforementioned insurers rent or sell their networks without the physician's knowledge – so the physicians often aren't aware that they are in a given network or that they are contractually obligated to deliver patient care at a greater discount.

Rental networks result in mass confusion and higher administrative costs (e.g., the additional staff time that is required to verify a patient's health insurance coverage and/or confirm the proper payment).

Rental networks can also reduce the accessibility of care because physicians are forced to accept the lower (i.e., "re-priced" or "re-rented") payment or refuse to see the patient for any follow-up or future care.

Rental networks are an inappropriate, profit-driven tactic that undermines the practice environment in Georgia that will exacerbate the physician shortage in the state.

It is also worth noting that...

- Sixteen states have now adopted laws that regulate or limit or prohibit rental networks.
- Insurers are prohibited from using rental networks in federal employee health benefits plan contracts.

Contact Marcus Downs at 404.797.0488 or mardowns@mag.org for additional information. With more than 7,500 members, MAG is the leading voice for the medical profession in Georgia – which includes physicians in every specialty and practice setting. MAG membership has increased by more than 35 percent since 2010. Go to www.mag.org for additional information.