**OHIO STATE MEDICAL ASSOCIATION HOUSE OF DELEGATES**

**Resolution No. 21 – 2020**

**Introduced by:** Kenneth Christman, MD

**Subject:** Insurance and Third-Party Networks

**Referred to:** Resolutions Committee No. 2

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**WHEREAS**, Many insurance and third-parties have developed networks that discriminate against patients and physicians for providing and/or receiving medical services outside such networks; and

**WHEREAS**, Such insurance and third-party payors often do not have adequate physicians and hospitals in their networks to provide medical services to those trapped in the networks; and

**WHEREAS**, Many patients are arbitrarily expected to pay additional amounts for copayments, coinsurance, and/or deductibles for out-of-network coverage; and

**WHEREAS**, These networks vary considerably in negotiated reimbursement rates, with small practices frequently being offered rates at or below subsistence levels; and

**WHEREAS**, Some insurance and third-party payors demand that payments much lower than average contracted rates be accepted as payment-in-full from non-contracted providers; and

**WHEREAS**, Physicians are unable to discuss fees amongst each other for fear of antitrust violations; and

**WHEREAS**, The large networks virtually control the marketplace as oligopolies; and

**WHEREAS**, Even Medicare Advantage plans and commercial Medicaid plans have instituted networks which serve no other purpose than to demand patients/subscribers to only seek medical care from those within the network; and

**WHEREAS**, Over 100 million Americans now obtain medical care through their self-funded ERISA employers who use third parties ONLY for using their networks and processing claims; and

**WHEREAS**, American workers can often obtain quality medical care at lower prices than under network conditions; and

**WHEREAS**, American workers would save substantially on their medical premiums and obtain medical care more efficiently without the demands of network prior authorizations and other restrictions; **therefore be it**

**RESOLVED**, That the OSMA study and report back on the anticompetitive and potential antitrust violations of the insurance networks, and consider possible solutions to these expensive and restrictive programs, which might include either ending the network system or the formation of physician networks in order to compensate for unbalanced negotiation tactics.

**Fiscal Note:** $ 0 (Sponsor)

 $ 20,000 (Staff)