TAHP
The Texas Association of Health Plans

Representing health insurers, health maintenance organizations, and other related health care entities operating in Texas.

Any Willing Provider Mandates:
Eliminating Competition & Increasing Costs

Any Willing Provider (AWP) and pharmacy mandates undermine competition in the private market and increase costs for Texans and Texas businesses.

The Texas Association of Health Plans opposes Any Willing Provider mandates.

TAHP Supports:

✓ **The ability of managed care organizations to competitively negotiate contracts in the private market without restrictive government mandates that limit competition.**

✓ **Health plans having the freedom to competitively contract with the highest-quality providers available to provide consumers enhanced access to services and quality, cost-effective health care.**

✓ **Private market negotiations that yield greater choices for consumers, including the use of high-value networks, so that Texas consumers have increased access to affordable coverage options.**

✓ **Effective, efficient regulations and transparency requirements that protect consumers and providers, NOT AWP health care mandates that limit competition and increase costs.**

What Are Any Willing Provider Mandates?

Any Willing Provider (AWP) mandates restrict private market negotiations by forcing health plans to contract with any health care provider or pharmacy willing to meet the plan's contract terms—regardless of whether that provider meets quality standards, whether there is already enough patient access, or whether it will increase the cost of health care for consumers and businesses.

Did You Know?
Any Willing Pharmacy Mandate

The Obama Administration attempted to expand government mandates in health care through an any willing pharmacy rule, but ultimately abandoned this effort due to increased costs and FTC warnings that AWP laws reduce private market competition and consumer choice. **It's estimated that an Any Willing Pharmacy government mandate in Medicare would have increased costs by $21.3 billion over 10 years.**

Any Willing Provider Mandates Eliminate Private Market Competition & Increase Costs for Employers, Consumers & Taxpayers

- **Increases Costs:** As documented by the Federal Trade Commission and others, AWP mandates remove incentives for providers to offer competitive rates and reduce health plan competition, driving up the cost of health coverage for consumers, employers, and taxpayers. **Consumers have seen anywhere from 6 percent to 21 percent higher premiums as a result of AWP mandates.** —Len Nichols, Director of the Center for Health Policy Research and Ethics, September 2014

- **Reduces Competition:** AWP mandates force health plans to abandon cost-effective, high-value provider networks and accept all providers regardless of their performance level, even if health plans already have enough providers to meet patients' needs. ***"If plans cannot give providers any assurance of favorable treatment or greater volume in exchange for lower prices, then the incentive for providers to bid aggressively for the plan's business—by offering better rates – is undermined"*** —Federal Trade Commission, letter to CMS, March 2014

- **Reduces Consumer Choice:** Restricting network negotiations reduces consumer choice and employer options for more affordable coverage. ***"Specifically, beneficiaries who are willing to accept coverage under a plan with a narrow network of preferred pharmacies in exchange for lower costs may be deprived of that option."*** —Federal Trade Commission, letter to CMS, March 2014

- **Eliminates Affordable Options:** The use of high-value provider networks can help reduce premiums and promote more affordable coverage options for consumers—with **premium reductions of 5% to 20%** or more when compared with broad network plans. **AWP mandates restrict health plans' ability to create high-value networks, which eliminates savings for consumers.**

- **Risks Quality of Care:** AWP mandates restrict health plans' ability to promote high-quality care. Being forced to accept any provider, even if they do not meet quality standards, takes away competition and removes plans' ability to negotiate for the best providers available to deliver efficient, high quality care.

- **Creates "Right to Hire" Mandate:** AWP mandates create a presumed "right to employment or contract"—a right that does not exist in any other sector of the health care industry or in any other industry. Just as schools are not mandated to hire "any willing teacher," health plans should not be mandated to hire "any willing provider," particularly if the provider does not meet the health plan's quality standards or adding the provider increases the cost of coverage.

FTC: AWP Increases Costs

"These laws can make it more difficult for health insurers or PBMs to negotiate discounts from providers; if plans cannot give providers any assurance of favorable treatment or greater volume in exchange for lower prices, then the incentive for providers to bid aggressively for the plan's business – to offer better rates – is undercut. AWP and [Freedom of Choice] FOC laws also can limit competition by restricting the ability of insurance companies to offer consumers different plans, with varying levels of choice. These restrictions on competition may result in insurance companies paying higher fees to providers, which, in turn, generally results in higher premiums, and may increase the number of people without coverage."

—FTC letter to Hon. James L. Seward, Senator, 51st District, New York; August 8, 2011