

# Analysis compares California exchange, commercial health insurance hospital networks

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The suspicion that the federal Affordable Care Act reduces options for patients to choose their health care providers proves to be true, according to a new study co-authored by David Weimer, a professor with the La Follette School of Public Affairs at the University of Wisconsin-Madison. However, the quality of hospitals in insurance exchange networks was as good or better than those in commercial insurance networks.

The study, just published in the May issue of the journal *Health Affairs*, compared the [hospital](#) networks available to California consumers in two types of insurance in the initial exchange: private commercial coverage and coverage obtained through the state insurance marketplace or exchange, called Covered California.

"We sought to answer two questions," Weimer says. "First, are the networks of hospitals available through Covered California plans narrower than those provided in comparable commercial plans? Second, how do these networks compare in terms of the quality of the available hospitals?"

Overall, customers buying health insurance on the state exchange had less access to hospitals than did people on commercial plans, report Weimer and his co-authors, Simon F. Haeder, a doctoral student in the Department of Political Science at the University of Wisconsin-

Madison, and Dana B. Mukamel, a professor in the Department of Medicine at the University of California, Irvine.

One comparison looked at the ratio of hospitals by region in the two types of plans and accounted for the carrier and plan type. "On average, customers on the exchange network had access to about 83 percent of the number of hospitals as did people on commercial health plans," Weimer says.

Another analysis paired exchange and commercial plans. "Of 58 comparisons, 38 exchange cases were more limited than their matched commercial networks in terms of the number of hospitals available to customers," Weimer says. "In 17 cases the networks included the same number of hospitals, and in three cases the exchange network was more extensive than the commercial network."

Weimer and his co-authors also looked at how far people had to travel to seek hospital care. "On average, 92 percent of residents were within at least one hospital market area in the exchange plans," Weimer says, "while the commercial networks reached about 93 percent."

They also found no difference in the quality of care between the two kinds of plans. "Indeed, our analyses paint a somewhat surprising picture of the difference in the average quality of hospitals in these networks," Weimer says. "Two of the analyses show no substantive difference in the average quality of the networks, but a third measure indicates that the average quality in the exchange networks is actually higher than that in the commercial networks. Insurers may be deliberately excluding some hospitals that have not been designated as top performers."

Overall, our results suggest that narrower exchange networks do not substantially restrict geographic access and, more importantly, do not reduce access to high quality care compared to the networks of standard

commercial plans," he adds.

Provided by University of Wisconsin-Madison

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