

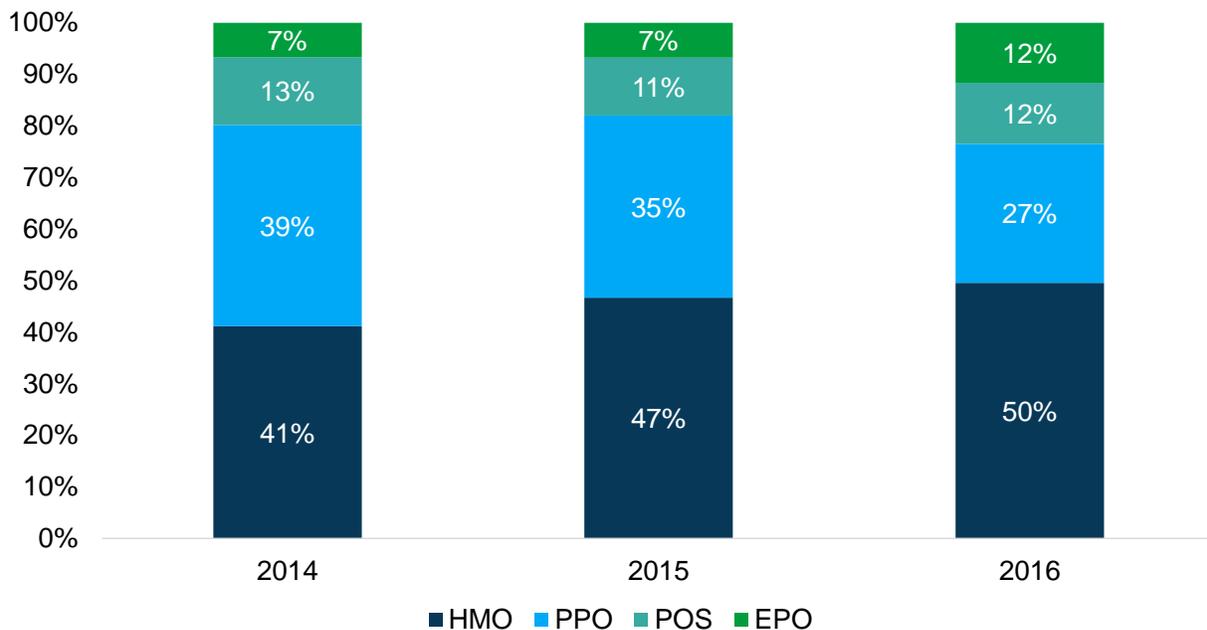


## Fewer PPOs Offered on Exchanges in 2016

A new Avalere analysis finds fewer insurers are offering preferred provider organization (PPO) networks on exchanges in 2016. Specifically, from 2014 to 2016, the percentage of plans offering PPO networks dropped from 39 percent to 27 percent. This represents a 31 percent decline over the three year period. Meanwhile, use of health maintenance organization (HMO) and exclusive provider organization (EPO) networks has increased. In general, PPOs include a wider network of providers and cover more out-of-network care than HMOs and EPOs.<sup>1</sup>

“The shift away from PPOs underscores the evolution of network design in exchange plans,” said Elizabeth Carpenter, vice president at Avalere. “While network type is not a perfect way to predict network breadth, it is an indicator that exchange plans are moving toward networks with fewer providers.”

Exchange Plan Networks by Type, 2014 - 2016



Importantly, care provided by out-of-network providers does not count toward consumer protections like the out-of-pocket limits put in place by the ACA

<sup>1</sup> HealthCare.gov describes the network types available to consumers. More information is available at: <https://www.healthcare.gov/choose-a-plan/plan-types/>



“Patients should evaluate a plan’s provider network when picking insurance on the exchanges,” said Chris Sloan, manager at Avalere. “If patients seek care from an out-of-network provider, they could be faced with significant out-of-pocket costs.”

Previous Avalere [analysis](#) found that in 2015 exchange plans included 34 percent fewer providers than the average for commercial plans. These findings are based on 2015 data that does not account for the 2016 trends described here.

## **Methodology**

Exchange plan network data based on the 2014 HHS Individual Market Landscape file, updated as of August 2014, the 2015 HHS Individual Market Landscape file, updated as of October 2015, and the 2016 HHS Individual Market Landscape file, updated as of October 30, 2015. Analysis includes all unique benefit designs in all the states utilizing Healthcare.gov and excludes state-based exchanges.

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