

Are your employees being ghosted?

Background

Ghost networks are gaining a great deal of legal attention. The most recent case is Hect vs Cigna where plan participants alleged that Cigna's behavioral health network included hundreds of providers that did not actually exist.

Why are ghost networks a concern?

1. Fiduciary risk and litigation exposure

Self-insured employers as well as carriers have fiduciary responsibilities under ERISA's "duty of prudence" requiring them to manage benefits responsibly and in the best interest of participants. Ghost provider networks violate this duty as it misrepresents the plan description and falsifies plan communications about available in-network providers.

2. No Surprises Act

Under the No Surprises Act that went into effect in 2022, employers need to verify the provider directory at least every 90 days.

3. MHPAEA inadequacy

The network provider lists need to offer access to mental health and substance use providers in parity with other clinician availability. Ghost networks violate this parity by having an insufficient number of clinicians to choose from and renders the network "inadequate."

How you can protect your employees

Vendor accountability is critical in ensuring a comprehensive health plan is doing what it says it is. HR leaders should set a schedule to regularly review the provider directories, conduct audits, and listen to their employees when they hear they cannot access providers on a regular basis.

How Optimatum Can Help:

Optimatum's clinical and vendor management experts routinely conduct forensic analyses and comprehensive contract reviews to identify vendor accountability compliance and opportunities to implement or refine service-level agreements (SLAs), and performance guarantees (PGs) that maximize value, control costs, strengthen vendor relationships, and deliver meaningful benefits for your employees.