



HEALTH INSURANCE CASE STUDY

NARROW NETWORK

How a narrow network enabled an assisted living facility in the rural South to increase healthcare access while saving costs

Is it possible for narrow network providers to actually increase access to healthcare coverage? In some cases, cost savings aren't the only reason for employers to choose a narrow network. Underserved, rural areas may slip through the cracks in wide networks. What can an employer do to ensure that employees in remote areas get the coverage they need? Specialized, locally-oriented narrow network care could be the answer.

The Problem

An assisted living facility in rural Florida, located outside Naples on the fringes of the Everglades, was having trouble finding a healthcare network that would cover its 250+ employees spread across multiple rural counties. These areas were underserved by two major networks.

Wide networks aren't always universal networks

It's easy to mistake wide networks for universal networks.

For this facility, local health care providers were not included in the major networks. This meant that, in order for an employee to get needed care, they had to decide between a local out-of-network provider at increased cost or traveling a great distance to visit an in-network provider.

The Solution

How did a narrow network solve this rural facility's healthcare problem?

With the help of a Naples-based healthcare system, the employer thought outside-the-box and put together a narrow network of healthcare providers. This narrow network was comprised of local providers exclusively; the employees were now able to get in-network coverage from local primary care providers and avoid out-of-network costs.

What did a narrow network accomplish?

The employees were able to benefit from easy access to local healthcare providers, who guaranteed high-quality care at preferred rates. This meant that the covered employees enjoyed better care for less.

By guaranteeing a steady flow of local clients, the facility negotiated preferential rates with the providers, which allowed them to reduce costs compared to those of wide network providers.

Conclusion

According to a study by the Kaiser Family Foundation, only six percent of small-to-medium firms offer a narrow network healthcare plan to employees. That number is not much higher for larger firms. While there are challenges, choosing a narrow network can significantly reduce your overall insurance costs. Plus, if you do business in some of the more remote parts of the country, narrow networks can help employees get coverage they wouldn't otherwise be able to access.