Physician Ranking Systems: Coming Soon to a Health Plan Near You?
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Physician ranking systems are being utilized with greater frequency by commercial health insurers. Typically, these systems are designed to provide insured parties with information to help them in selecting a physician—particularly specialist physicians such as surgeons, cardiologists, and urologists. The systems are intended to identify those physicians who have a track record for good clinical performance.

But so far, health insurers using such systems have designed their own, a point which begs the question: What is behind these systems? How “transparent” are they? Do they really help insureds do a better job of selecting a physician, or are they simply a means to steer patients toward a particular physician?

Some high-profile individuals have started asking such questions. For example, Andrew Cuomo, who was elected as New York’s Attorney General in 2006, quickly zoned in on such systems as a target for his office. He launched an investigation into whether health insurers in his state were utilizing systems that improperly directed patients to “cheaper” physicians, thus saving the insurers money. In addition, Cuomo believed the systems were likely to confuse consumers. So Cuomo sent letters to the major health insurers in his state asking for explanations of how their physician ranking systems worked, along with copies of any consumer complaints about the systems.

At the same time, Cuomo got busy creating a model physician ranking system for insurers to utilize. The model was created in consultation with, and is supported by, the American Medical Association (AMA), along with the state medical society and consumer advocacy groups such as the Consumers Union and the National Partnership for Women and Families. Cuomo’s efforts have quickly proven successful, as his model physician ranking system has been adopted by three major New York insurers: Cigna, Aetna, and Empire Blue Cross/Blue Shield, the latter being the largest insurer in New York. Moreover, Aetna went as far as adopting the model for nationwide use.

A key feature of this system is that rankings are not based solely on cost, and must identify the degree to which any ranking is based on cost. Furthermore, the insurer must disclose to consumers how the rankings are designed and how the doctors are ranked, and allow for consumer complaints about the system. Also, physicians must be given a process to appeal rankings they believe are incorrect.

Other major health insurers are likely to follow suit and adopt this model or something very similar, especially since the model has the AMA’s stamp of approval. Otherwise, insurers may find their own physician ranking systems as the target of government or consumer scrutiny. And insurers that don’t use any physician ranking system are likely to feel the pressure to conform with what is quickly becoming an industry norm. All of this is good news for insureds, since they can feel confident that a ranking system used by their insurer is truly designed to provide information on the quality of care provided by a physician, and not just on how much money that physician has cost the health insurer.