



PREFERRED PROVIDER NETWORKS IN ONTARIO

STATEMENT

OPA acknowledges that preferred provider networks (PPNs) exist in multiple forms within the health care delivery system in Ontario, in both the public and private sectors.

OPA does not endorse or discourage such contractual relationships among providers, but believes that members must respect the following principles when participating in or considering participation in a preferred provider relationship:

- The right of patients/clients to choose their health care provider
- The right of a patient/client to opt out of the network, at any time without prejudice to current or future treatment or loss of benefits
- That individual practitioners maintain professional autonomy in making treatment decisions with their clients that are in the best interest of their clients
- That networks are developed, and contractual agreements made, based on an open, transparent, competitive selection process for which the criteria are clearly established.

BACKGROUND

Preferred provider relationships have operated in healthcare and in other areas of professional practice for many years. For example, arrangements made between the Ontario government and the existing group of OHIP Schedule 5 physiotherapy clinics in the mid-1960s was (and still is) a type of preferred provider relationship. Some employers, particularly in areas that are inadequately served by healthcare practitioners, have entered into preferred provider relationships with local providers. More recently, automobile insurance companies have begun to establish preferred provider relationships. The Workplace Safety and Insurance Board (WSIB) used a model of preferred provider relationships when the Community Clinic Program was established in the early 1990s and has, more recently, expressed an interest in expanding preferred provider relationships similar to those set up by Worker Compensation Boards in other jurisdictions.

There are many combinations and permutations of preferred provider relationships in health care. Some are set up by practitioners themselves, some by hospitals and other health-care delivery organizations. Most preferred provider networks are initiated by insurers, employers and other third-party payers. Some preferred provider relationships are established to create a provider pool that can be relied on to accommodate referrals or to allow for priority access. Others are established to create a ready-made referral network.

Most preferred provider relationships have two common components:



- An agreement by providers to provide a basket of services (in some cases developed in consultation with the provider using an evidenced-based approach) within specific timeframes, with pre-established lines of communication, reporting requirements, data collection; and
- An established fee based on the basket of services to be provided.

The largest motivation for preferred provider relationships today is the wish by third-party payers to contain their healthcare costs using set fees and volume purchasing.

CHOICE OF PROVIDER

The Regulated Health Professions Act and some other statutes including the Canada Health Act and the (Ontario) Workplace Safety and Insurance Act establish patient/client choice of health-care providers as a statutory objective or right. This should mean that patients can select their healthcare provider with impunity. Unfortunately, this "right" is rarely demanded by patients, observed by third party payers, or enforced by governments.

INFORMED CONSENT AND OPTING OUT

In the case of health care delivery in the auto insurance sector, many argue that clients choose to participate in a preferred provider network at the time of purchase of a policy, or alternatively waives their right to make that choice. The reality is that many clients either don't appreciate that they are making such a decision, or make the decision in a state of good health without considering the choices they may wish to make should they require health-care in the future. Participation in PPNs should include the ability to opt out of the network without prejudice for future treatment or loss of benefit coverage.

PPNs do not occur in isolation from other changes within health care systems. In terms of auto insurance, neutral, third party assessments to resolve disagreements in the treatment of auto insurance claimants has been eliminated in favour of insurer exams. This removes elements of consumer protection within the system and places even greater importance on informed consent and opting out with PPNs. OPA supports a fair, unbiased dispute resolution process within all sectors.

BEST INTEREST OF CLIENTS

The Standards of Practice of our College require physiotherapists always to act in the best interests of the patient, to give the patient's concerns priority and to recognize each patient's unique mix of characteristics. Nevertheless, preferred provider relationships, especially those that require adherence to treatment protocols and/or performance benchmarks are sometimes based more on process than actual health outcomes. Those can put the practitioner in a situation of real or perceived conflict with



the College's Standards, with the RHPA and in the case of auto insurance with the Statutory Accident Benefits Schedule.

OPA strongly supports the principle of client-focused care regardless of any contractual agreements providers enter into with payors. The OPA cautions members who participate in a preferred provider network to ensure that they have fully disclosed the relationship to the patient and obtain consent before conducting an assessment or initiating treatment.

OPEN, COMPETITIVE PROCESS

The OPA wants to ensure that preferred provider relationships do not arbitrarily give an advantage to or discriminate against any type of provider or provider organization, be they large corporate providers, associations, multidisciplinary clinics or sole providers. The implementation of PPNs in the private sector tend to favour the larger, networked and multidisciplinary rehabilitation companies over small, independent clinics or sole practitioners. This is because of their more extensive resources to bid for and to satisfy the reporting and other requirements of PPN's and their ability to achieve economies of scale. OPA strongly supports an even playing field and equal opportunity to participate in PPNs through an open, competitive process open to all types of provider or provider organizations.