

# MANAGED CARE

## OUTLOOK

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## **PPO Network and TPA Come Together in New Colorado Company**

*By Howard Wheat*

A new Colorado company will try to take advantage of the movement by employers to open-access plans and self-funding status by offering one-stop shopping when it comes to administering their benefits and furnishing the provider network.

ChoiceNet results from a partnership of two investors — Mountain Medical Affiliates (MMA), a PPO network based in Denver, and Grand Junction-based Rocky Mountain HMO. The independent company in Colorado Springs will launch operations July 1 with 1,000 members and work with businesses of 100 employees or more.

ChoiceNet President Kathy Major said it will set itself apart from other TPAs by offering a bundled PPO product with the provider network already included to self-insured employer groups. "This is unique," she explained when asked whether this is a new strategy for local HMOs and physician practices. "I don't know that there are any TPAs out there that are doing this."

She said ChoiceNet is currently in the process of loading MMA's network of 7,000 physicians into its system and plans to add Rocky

*(more on page 2)*

## New Company ... (cont. from p. 1)

Mountain's provider network sometime later. Employer groups wanting another network will also have their wishes entertained, she added.

"Normally when a group goes to a self-insured status, it's a fragmented process," Major said. "They find their network, that's a separate contract, and then they have to find their administrator." This split process means that doctors have to send their claims to the PPO network, which reprints them, secures the discount, and routes them, usually in a paper format, to the TPA for processing.

be a bit more proactive with our customer service and make outbound calls to physicians and to members instead of waiting for them to call us and identify the problem," Major said. "That's another big one for us in terms of how we are different."

Ruiz-Moss said his company decided to invest in ChoiceNet after brokers said they wanted to see more integration between TPA and network services. But after looking at some of the existing TPAs, he said MMA was uncomfortable with them because they either lacked the technology or the desire to accommodate the company's many fee schedules.

By [illegible]

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## **New Company ...** (cont. from p. 2)

Mountain. "We selected a premier PPO platform in terms of the system that we will be processing on. And we also have knowledgeable and dedicated staff that has worked in the self-funded and PPO environments for many years. It's not like we are hiring brand new people, at least for our core team, to get this set up and started."

Major said more employers are shifting to a PPO, noting that it is happening in Colorado because some of the major carriers have reduced the access to and availability of physicians. "The HMO product is not as attractive as it once was because members are concerned that they

don't have the access that they would like," she said.

Another factor causing the shift to both PPO and self-funding status among employers is a pretty hefty round of rate increases in their HMO premiums. "The PPO product is no longer as expensive an alternative as it once was," she said. "And more employers seem to be looking at self-funding as a method as well."

Although ChoiceNet will initially focus on serving Colorado businesses, Major said she definitely sees opportunities for the new venture on a national level as well.

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