Hospital Topics, 90(3):65–73, 2012

ISSN: 0018-5868 print / 1939-9278 online
DOI: 10.1080/00185868.2012.714689

Routledge
Taylor & Francis Group

'Phantom Networks' of Managed Behavioral Health Providers: An Empirical Study of Their Existence and Effect on Patients in Two New Jersey Counties

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Abstract. Managed care organizations often tout the availability of clinicians in their provider networks, yet their clients seeking mental healthcare may find it difficult to obtain such care in a timely and effective manner. Using comprehensive data from two counties in New Jersey, the authors examine the prevalence of phantom networks of managed care providers of behavioral health services and the effects of such networks on patients' wait times and the availability of therapists treating children.

Keywords: behavioral health, managed care, mental health, psychiatrists, psychologists

In a March, 2002 newsletter to mental health practitioners, the president of the Montgomery County (Maryland) National Alliance on Mental Illness reported an experience she had trying to find a psychiatrist to treat her college student daughter (Sterenbuch 2002):

> Although we have private insurance through Blue Cross/Blue Shield Federal Employees Program, reputed to be one of the best private insurers, and a list of dozens of preferred providers in her new county, of the dozen or so calls I made, only a third actually answered their phones and only one agreed to see her. Among the remaining two-thirds I found disconnected telephone numbers, wrong numbers, and fax numbers. As frustrated as I was in undertaking his search, my daughter could never have persevered if she had to do this on her own as many consumers have to do.

Ironically, considering her position in the mental health field, this individual had encountered what is known as a phantom network—a listing of providers purported to participate in a managed care plan, but who do not, in fact, do so.

Managed mental healthcare organizations advertise their provider networks in terms of numbers, geographic dispersion, and quality (Managed Health Network 2012; MHNet 2012). These claims have been questioned (Carroll 2002), especially as concerns availability of practitioners (Rubenstein 2006). Some mental health professionals have even stated that not only do they not participate in health maintenance organizations (HMOs), but never have done so, and have requested multiple times that the HMOs in question remove their names from the HMO's list of participating providers, to no avail (Serani 2005, 2009). Concerns have therefore been raised regarding access to and availability of mental health treatment in managed care plans (Wilk et al. 2005).

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An American Psychological Association lawsuit, Virginia Academy of Clinical Psychologists v. CareFirst, et al. (Holloway 2003), highlighted the issue of phantom networks. In this lawsuit, the alleged phantom network resulted from a sudden reduction in reimbursement to mental health professionals that led to many resignations from the provider panel. The basis of the lawsuit was that the network continued to advertise that the psychologists who resigned were still in their network. Consequently, many of those on the advertised panel were phantoms. CareFirst essentially capitulated on breach-of-contract issues, offering plaintiffs everything that they could have won at the upcoming trial, even allowing the Virginia Academy of Clinical Psychologists to go forward with previously dismissed punitive damages and fraud claims, a most unusual concession (Holloway 2003). Others have sued as well: a psychologist in Florida was so upset about being listed as a participating provider in a managed care plan that he filed suit, claiming unfair and deceptive trade practices (Carroll 2002).

In 2006, Humana (and other defendants) reached a nationwide settlement with psychologists and other nonphysician mental health providers whereby they agreed to update participating managed care providers promptly (APA Legal and Regulatory Affairs 2006). However, more recently, two of the three behavioral health providers in Vermont were fined for "providing customers with lists of clinicians, including psychiatrists, who are no longer practicing or not taking patients" (Daly 2009, 9).

Previous research in the area of phantom health networks examined availability of services offered to subscribers of large health benefit plans (Holstein 2004). Although researchers (Barry, Huskamp, and Goldman 2010) and even state governments (Consumer Protection 2008; MO HealthNet Division 2010) have expressed concern about the existence of phantom healthcare provider networks, these concerns have been based largely on anecdotal evidence. As a result of such concerns, further research regarding the prevalence of phantom networks and their effects on prospective patients in the area of managed behavioral healthcare is certainly warranted. Here we continue this line of research, looking at networks of behavioral healthcare providers in managed care networks in two counties in New Jersey.

This study differs from previous ones in two ways: (*1*) it relies on quantitative and not qualitative data and (*2*) it is based not on a sample, but rather on a census of managed care mental healthcare providers in a specified region. This quantitative study explains the experience a prospective patient who has a managed care plan would have in finding a treating mental health professional.

RESEARCH DESIGN

In 2004, we identified 10 large networks serving residents of Monmouth and Ocean Counties, New Jersey. At the time, these two counties had populations of 615,301 and 510,396, respectively.

We accessed the websites of nine of the 10 plans to obtain the names of all the psychiatrists and psychologists listed as providing services in the two-county area. The tenth, Value Options, supplied a faxed listing of its psychiatrist and psychologist network in the two counties. Based on this information, we contacted every practitioner listed by each of the 10 plans as in network, a total of 285 providers, by telephone. We asked if the clinician participated in each of the 10 available managed mental healthcare plans, and if so, the date of the earliest available appointment that could be offered to an individual with the network benefit. We also asked if the clinician treated young children, adults, or both. We classified as nonrespondents offices that did not respond after three failed attempts. The total response rate was 96.8%.

RESULTS

Provider Status

The data regarding practitioner status are presented in Tables 1 (for Monmouth County) and 2 (for Ocean County).

We initially compared the total numbers of psychiatrists and psychologists purported to be in network to the relative populations in each county. Monmouth County had 54.5% of the total population of the two counties, but 63.7% (191) of the psychiatrists and 77.7% of the psychologists purported to be in-network in the two counties.

After we eliminated from consideration those clinicians who were not participating providers, we found that the managed care plans represented their networks reasonably well. In Monmouth County, 94.8% of the psychiatrists and 89.9% of the psychologists were confirmed to be in network. In Ocean County, the corresponding means were similar: 97.2% of the psychiatrists and 91.2% of the psychologists were confirmed to be in network. Although most plans seemed to represent their

TABLE 1. Psychiatrists' and Psychologists' Purported In-Networks, Status (Monmouth County)

	Qual Care		United Behavioral Health		Aetna (Magellan Behavioral Health)		GHI (A Value-Options Network)		Horizon Blue Cross/Blue Shield PPO		Horizon Blue Cross/Blue Shield PPO Managed Care Products (Magellan Behavioral Health)		Cigna Behavioral Health		Managed Health Network		Oxford Health Plans		Value Options		Total (all plans)	
Network status	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO
Purported in-network	25	42	10	39	28	45	9	48	28	86	32	53	14	19	19	39	14	31	12	57	191	459
Confirmed in network	23	37	10	33	28	42	6	32	27	86	30	46	14	19	18	36	14	26	11	55	181	412
% confirmed in network	92.0	88.1	100.0	84.6	100.0	93.3	66.7	66.7	95.4	100.0	93.8	86.8	100	100	94.7	92.3	100.0	83.9	91.7	96.5	94.8	89.9
Not taking patients	11	10	5	9	15	11	5	18	9	21	16	12	8	5	12	14	6	8	6	19	93	127
Confirmed not taking patients	47.8	27.0	50.0	27.3	53.6	26.2	83.3	56.3	33.3	24.4	53.3	26.1	57.1	26.3	66.7	38.9	42.9	30.8	54.5	35.5	51.4	30.8
Total actually available, taking new patients	12	27	5	24	13	31	1	14	18	64	14	23	6	14	7	22	8	18	6	36	90	273
% of purported network actually available	48.0	64.3	50.0	61.5	46.4	73.8	11.1	29.2	64.3	75.6	46.7	43.4	42.9	73.7	36.8	56.4	57.1	58.1	50.0	65.5	47.1	59.5
% decrease in network size (from purported to actually available)	47.8	27	50	27.3	3.6	20.9	83	56	34	24.4	50.2	50	57.1	26.3	42.9	30.8	42.9	30.8	50.0	34.5	52.9	41.5

Note. PA = psychiatrist; PO = psychologist.

in-network provider panel reasonably accurately, one plan—GHI—did not.

While the previously mentioned data are the kinds of figures usually produced to demonstrate the accuracy of behavioral health plans' managed care networks, they fail to tell the whole story, especially from the patients' point of view. In Monmouth County, if the in-network practitioners not taking new patients are considered to be nonparticipants, the plans' networks decreased substantially. The mean percentage confirmation rate for psychiatrists becomes 47.1%, and for psychologists it becomes 59.5%. As expected, performance for individual managed care plans varies substantially. Aetna's network of psychologists was the most accurate of all networks, and GHI's network of psychiatrists was the most inaccurate of all networks. On average, the network of psychiatrists decreased by 53.4% (over half of the practitioners purported to be in network were not available to schedule new managed care patients) and the network of psychologists decreases by 33.3% (only two-thirds of the psychologists purported to be in network were actually available to schedule new managed care patients).

In Ocean County, if the in network practitioners not taking new patients are considered to be nonparticipants, the plans' networks again decreased substantially. The mean decrease in network size for psychiatrists in Ocean County is 19.3%, and the mean decrease in network size for psychologists is 25.9%. There were no psychiatrists participating in GHI's managed care plan who were willing to schedule appointments for managed care patients in Ocean County. The range of the percentage decrease for psychiatrists in Ocean County managed care plans was a low of 14.3% (a tie among Horizon BCBS, Cigna, and United Behavioral Health) and a high of 25.0% (Horizon BCBS PPO).

A substantial number of mental health providers, even when confirmed to be in network, simply were not accepting new managed care patients. In Monmouth County, only 51.4% of participating psychiatrists and 30.8% of participating psychologists were accepting new managed care patients. In Ocean County, the situation was worse: only 17.0% of participating psychiatrists and 18.7% of participating psychologists were accepting new managed care patients.

Availability

Providers who were available to treat managed care patients enrolled in a plan in which they participated were asked how long such a patient in the plan would have to wait for an appointment. These results are presented in Tables 3 and 4 (for participating practitioners in Monmouth and Ocean Counties, respectively).

In Monmouth County, the mean wait time for prospective patients to see a psychiatrist (3.70 weeks) was higher than the mean wait time to schedule an appointment with a psychologist. Interestingly, a higher wait time to schedule an appointment with a psychiatrist than a psychologist occurred regardless of the managed care plan in which the patient was enrolled—even though the average wait time to see a psychiatrists varied by plan (range = 1.00 week for GHI to 4.69 weeks for Aetna), the wait time to see a psychologist was less (range = 1.67 weeks for GHI and United Behavioral Health to 2.34 weeks for Aetna and Magellan Behavioral Health). There was only a single psychiatrist participating in GHI's network. Had GHI's network been eliminated from the calculations, the mean wait time to schedule an appointment with a participating psychiatrist regardless of managed care plan would have been higher.

In Ocean County, the mean wait time to see a participating psychiatrist and the mean wait time to see a participating psychologist were virtually identical (3.40 vs. 3.39 weeks). However, the psychiatric network for GHI was nonexistent (i.e., there were no psychiatrists whatsoever participating in the GHI plan), so essentially the wait time for GHI was infinite, and was therefore eliminated from the calculations.

Treatment of Children

Data regarding availability of participating practitioners to treat children are presented in Table 5.

In Monmouth County, the mean number of participating psychiatrists who were willing to treat children was 2.1, while the mean number of participating psychologists who were willing to treat children was 15.9. These means are somewhat inflated because some practitioners had more than one office. The GHI plan in Monmouth County was definitely a phantom network with respect to children, as it had no participating child psychiatrist. Other plans in Monmouth County (e.g., United Behavioral Healthcare, Aetna, and Oxford) had only a single participating psychiatrist, and were definitely inadequate if not a phantom network

TABLE 2. Psychiatrists' and Psychologists' Purported In-Networks, Status (Ocean County)

	Qual Care		United Behavioral Health		Aetna (Magellan Behavioral Health)		GHI (A Value-Options Network)		Horizon Blue Cross/Blue Shield PPO		Horizon Blue Cross/Blue Shield PPO Managed Care Products (Magellan Behavioral Health)		Cigna Behavioral Health		Managed Health Network		Oxford Health Plans		Value Options		Total (all plans)	
Network status	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO
Network status	14	22	7	10	21	25	2	11	14	29	16	20	7	8	17	15	5	6	6	16	109	147
Purported in-network	14	19	7	10	21	23	1	7	13	27	16	19	7	8	17	15	4	6	6	13	106	134
Confirmed in network	100.0	86.4	100.0	100.0	100.0	92.0	50.0	63.6	92.9	93.1	100.0	95.0	100.0	100.0	100.0	100.0	80.0	100.0	100.0	81.3	97.2	91.2
% confirmed in network	3	1	1	1	4	3	1	2	1	9	4	2	1	2	3	3	0	0	0	2	18	25
Not taking patients	21.4	5.3	14.3	10.0	19.0	12.0	100.0	28.6	7.7	33.3	25.0	10.5	14.3	25.0	17.6	20.0	0.0	0.0	0.0	15.4	17.0	18.7
Confirmed not taking patients	11	18	6	6	17	20	0	5	12	18	12	17	6	6	14	12	4	6	5	11	88	109
Total actually available, taking new patients	78.6	81.8	87.7	90.0	81.0	80.0	0.0	45.5	85.7	62.1	75.0	85.0	85.7	25.0	82.4	80.0	80.0	100.0	83.3	68.8	80.7	74.1
% of purported network actually available	21.4	18.2	14.3	40.0	19.0	20.0	∞	54.5	14.3	37.9	25.0	15.0	14.3	25.0	17.6	20.0	20.0	0.0	17.7	15.4	19.3	25.9

Note. PA = psychiatrist; PO = psychologist.

TABLE 3. Psychiatrists' and Psychologists' Appointment Wait Time (Monmouth County)

	Qual Care		United Behavioral Health		Aetna (Magellan Behavioral Health)		GHI (A Value-Options Network)		Horizon Blue Cross/Blue Shield PPO		Horizon Blue Cross/Blue Shield PPO Managed Care Products (Magellan Behavioral Health)		Cigna Behavioral Health		Managed Health Network		Oxford Health Plans		Value Options		Total (all plans)	
Availability	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO
1–2 weeks	5	21	4	21	3	23	1	11	10	52	6	26	3	12	3	16	3	14	3	29	41	25
3–4 weeks	2	4	0	2	4	6	0	1	2	6	4	5	1	2	2	5	3	3	2	6	20	40
5–8 weeks	4	2	1	0	5	1	0	0	4	5	2	2	2	0	1	0	1	0	0	0	20	10
>8 weeks	1	0	0	0	1	1	0	0	1	20	2	1	0	0	0	1	1	0	0	0	6	3
# providing no data			0	1				2	1	2								1				
Mean	4.21	2.17	2.51	1.67	4.69	2.32	1.00	1.67	3.41	2.09	4.55	2.34	3.52	1.79	3.02	2.34	3.94	1.85	2.31	1.84	3.70	2.06

Note. PA = psychiatrist; PO = psychologist.

TABLE 4. Psychiatrists' and Psychologists' Appointment Wait Time (Ocean County)

	Qual Care		United Behavioral Health		Aetna (Magellan Behavioral Health)		GHI (A Value-Options Network)		Horizon Blue Cross/Blue Shield PPO		Horizon Blue Cross/Blue Shield PPO Managed Care Products (Magellan Behavioral Health)		Cigna Behavioral Health		Managed Health Network		Oxford Health Plans		Value Options		Total (all plans)	
Availability	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO	PA	PO
1–2 weeks	2	10	0	6	1	9	0	4	3	12	3	7	0	3	2	4	2	3	0	7	28	98
3–4 weeks	2	4	0	3	0	5	0	1	2	2	0	5	0	1	2	4	0	7	1	3	21	105
5–8 weeks	4	2	6	0	10	5	0	0	5	3	4	3	6	2	9	2	2	0	4	0	63	111
>8 weeks	3	2	0	0	6	1	0	0	2	1	5	2	0	8	1	2	0	1	1	1	32	100
# providing no data																						
Mean	6.00	3.44	6.50	2.17	6.05	3.68	∞	1.90	5.33	3.03	6.71	3.97	6.51	3.49	5.61	4.42	4.00	3.58	6.58	2.82	3.40	3.39

Note. PA = psychiatrist; PO = psychologist.

TABLE 5. Psychiatrists and Psychologists Treating Children (Monmouth and Ocean Counties)

	Monmouth County		Ocean County	
	Psychiatrists	Psychologists	Psychiatrists	Psychologists
Qual Care	3	17	5	12
United Behavioral Health	1	12	1	1
Aetna (Magellan Behavioral Health)	1	17	7	11
GHI (A Value-Options Network)	0	5	0	1
Horizon Blue Cross/Blue Shield PPO	5	34	5	7
Horizon Blue Cross/Blue Shield PPO Managed Care Products (Magellan Behavioral Health)	4	22	6	7
Cigna Behavioral Health	2	9	0	2
Managed Health Network	2	14	4	5
Oxford Health Plans	1	7	2	2
Value Options	2	22	2	5
Mean	2.1	15.9	3.2	5.3

In Ocean County, two plans (GHI and Cigna) had no participating child psychiatrist; United Behavioral Healthcare and GHI had only a single participating child psychologist. Thus, in Ocean County GHI was definitely again deemed to be a phantom network.

CONCLUSIONS

Most of the plans initially appeared to be doing a reasonable job of presenting their panels of providers accurately, as shown in Tables 1 and 2 under "% of confirmed in network." In Monmouth County, all plans except GHI achieved better than 80% of psychiatrists and psychologists purported to be participating providers were confirmed. Cigna in particular stood out positively: 100% of providers in their network were confirmed in Monmouth County. In Ocean County, the situation was quite similar to that in Monmouth County: only GHI failed to achieve at least an 80% accuracy threshold for confirmation of both psychiatrists and psychologists as in network, while three plans (United Behavioral Health, Cigna, and Managed Health Network) achieved 100% conformation of psychiatrists and psychologists.

When we examined networks in terms of actual availability of in-network providers, the situation changed drastically. If a phantom network is defined as one in which 50% or less of the in-network providers are actually accepting managed care patients, eight of the 10 psychiatric networks in Monmouth County and one of the 10 psychiatric networks in Ocean County are phantoms. Two networks of psychologists in Monmouth County, and two networks of psychologists in Ocean County are also phantoms. One network in particular stands out—GHI—as being a phantom network in both counties and for psychiatrists and psychologists.

The effects of these phantom networks on the number of weeks a patient in a behavioral health plan would have to wait for an appointment are mixed. In Monmouth County, of the eight phantom psychiatric networks, three have a mean wait time greater than the county average, and the other five have a mean wait time less than the county average. In Ocean County, the one phantom psychiatric network had an average wait time less than the county average, with one having a wait time of less than the county average and the other having a wait time of greater than the county average. We do need to note that the single phantom psychiatric network (GHI) had an infinite wait time because it had no participating providers. For the purpose of calculating the overall mean wait time for this county, GHI's network was excluded.

In terms of in-network providers willing to treat children, of the eight phantom psychiatric plans in Monmouth County, five had more than average numbers of such clinicians, while the other three had fewer than average numbers of such clinicians. In Ocean County, the single phantom psychiatric networks and the two phantom psychological networks all had fewer than the county average number of for such clinicians. The preponderance of evidence indicates that phantom managed networks tend to have fewer child mental health specialists than other managed mental health networks.

This survey of clinicians in ten managed mental health networks providing services in Monmouth and Ocean Counties, New Jersey, demonstrated that the percentage of providers confirmed to be in network and accepting new managed care patients was substantially less than what was claimed by these plans, especially with respect to psychiatrists in both counties and psychiatrists and psychologists in Monmouth County. The vast majority of the networks in Monmouth County and one of these networks in Ocean County had 50% or less of the providers actually accepting new managed care patients, and were therefore classified as phantom networks. Wait times for managed care patients to see psychiatrists and psychologists in both counties were found to be substantial, and availability of in-network clinicians willing to treat children in managed mental health networks was limited. Clearly, phantom networks of behavioral managed care providers in these two New Jersey counties exist, and these phantom networks have effects on managed care patients in terms of time necessary to see a clinician and availability of clinicians who are willing to treat children.

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