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April 17, 2025

Administrative Letter 2025-01

To: All Carriers Intending to Offer Qualified Health Plans or Qualified Dental Plans on the Virginia Health Benefit Exchange for Plan Year 2026

Re: Virginia Health Benefit Exchange Network Adequacy Standards Effective Beginning Plan Year 2026

This Administrative Letter (HBE-AL-2025-01) documents the network adequacy time and distance standards and requirements for carriers seeking to offer qualified health plans (QHPs) or qualified dental plans (QDPs) through the Virginia Health Benefit Exchange (HBE). Please note that the policies and standards articulated in this Administrative Letter apply to the QHP and QDP certification process beginning with plan year 2026 and will remain in effect until new guidance is issued.

Pursuant to the changes finalized in the HHS 2025 Notice of Benefit and Payment Parameters, 45 C.F.R. § 155.1050 requires State Marketplaces to ensure that the provider network of each QHP and QDP meet applicable time and distance standards. All carriers submitting plans for certification are required to complete and submit network adequacy data via the System for Electronic Rates & Forms Filing (SERFF) utilizing the current CMS-prescribed templates. All carriers must comply with network adequacy standards for QHPs and QDPs, regardless of whether they use an integrated delivery model or have exclusivity contracts with providers.

Time and Distance Standards

Pursuant to 45 CFR 156.230(a)(2), an issuer of a QHP must maintain a network that is sufficient in number and types of providers to assure that all services will be accessible to enrollees without unreasonable delay. Beginning in Plan Year 2026, all QHPs and QDPs offered for certification on the Virginia Health Benefit Exchange must meet the time and distance network adequacy standards in the 2023 Letter to Issuers.¹ To be included in the determination of whether a plan meets applicable network adequacy standards, each provider must be appropriately licensed, accredited, or certified to practice in the Commonwealth of Virginia, and must have in-person services available.

¹ See [2023 Final Letter to Issuers in the Federally-facilitated Exchanges](#)

For each specialty and time and distance standard listed in the 2023 Final Letter to Issuers, HBE will review the carrier-submitted data to ensure that each plan provides access to at least one provider in each of the listed provider type categories for at least 90 percent of enrollees. If a carrier does not meet the minimum time and distance standard prior to the certification deadline, the carrier can either 1) add additional providers to its network to come into compliance with the standard and re-submit its Network Adequacy template for review; or 2) submit a Network Adequacy Justification Form.

HBE will assess compliance with time and distance standards at the county level, using the following five designations: large metro, metro, micro, rural, and counties with extreme access considerations (CEAC).

Specialty Types

HBE will align the categorization and reporting of providers in the Network Adequacy Template with the provider specialty list used by CMS for carriers offering QHPs and QDPs in the federal Marketplace. Please refer to CMS's 2023 Final Letter to Issuers for the applicable list of provider specialty types. The term "provider" in this letter refers to individual providers and facilities, unless otherwise noted. Carriers should not list a single individual practitioner or facility provider with the same address multiple times within the 'Network Adequacy Provider' tab of the NA Template. Carriers may assign multiple specialty types to an individual or facility provider, as allowed by the NA template. Note that carriers must use the taxonomy codes listed in the CMS Network Adequacy template in their submission.

If a carrier embeds dental benefits into a QHP, the carrier must include all in-network dental providers in the "Network Adequacy Provider" tab of the NA Template. The compliance standard to which the dental providers are measured is the time and distance standard for dental providers listed in the 2023 Final Letter to Issuers.

HBE will allow the family medicine physician provider type, as well as advance practice registered nurses (APRNs) and physician assistants (PAs), to count towards satisfaction of the "Primacy Care – Pediatric" and "Primary Care – Adult" specialty types in all county type designation areas. In addition, APRNs who specialize in behavioral health services may satisfy the outpatient clinical behavioral health provider category in all county type designation areas.

Justifications

For each unmet network adequacy standard, carriers must provide a copy of the Virginia Network Adequacy Justification Form (attached as Exhibit A) or the current CMS Network Adequacy Justification Form, which must include:

- Responses to the following questions:
 1. What sources are used to monitor new providers entering the service area?

2. How often do you monitor your sources for new providers entering the service area?
3. Do you hold QHP enrollees of this plan responsible for only in-network cost sharing for out-of-network care received when you do not meet the network adequacy standards for network/county/specialty combinations?
4. What is the number of QHP enrollee complaints received regarding network adequacy during the prior Plan Year?
5. The primary reason(s) for not meeting each network adequacy standard for the respective correction finding.

- A populated “Recruitment Activity” tab listing providers with the “Status of Recruitment Efforts” column completed.

Telehealth

HBE will continue to collect data from QHPs on their in-network providers offering telehealth services as required by CMS to inform future policy decision making. For each provider on the “Individual Providers” tab of the NA template, carriers must indicate whether that provider offers telehealth services. For this purpose, HBE defines telehealth as “professional consultations, office visits, and office psychiatry services through brief communication technology-based service/virtual check-in, remote evaluation of pre-recorded patient information, and inter-professional internet consultation.”

Questions concerning this Administrative Letter may be addressed to HBE’s Carrier Compliance section at ExchangeCarriers@scc.virginia.gov.

Cordially,



Keven B. Patchett
Director, Virginia Health Benefit Exchange

Virginia Network Adequacy Justification Form

Instructions

Please use the following guide for the data needed in each cell.

Field	Description	Example
Carrier Name	Enter full legal name of Carrier	XYZ Insurance Company, Inc.
HIOS ID	Enter 5-digit HIOS ID	12345
Network ID	Enter Network ID	YourNetworkID
Network Name	Enter Network Name	YourNetworkName1
Product Type	Health or Dental	Health
Questions 1	Enter any sources used	Source Name
Question 2-3	Select from the provided drop down list	Monthly
Question 3	Select from the provided drop down list	Yes
Question 4	Enter a number	1234
Locality (Rows 13-100)	Select the appropriate locality from the drop down list	49080 - Bath
Unmet Specialty (Rows 13-100)	Select the appropriate specialty from the drop down list	Cardiac Catheterization Services
Question 5	Select all that apply from the drop down list	No providers of this specialty type are currently practicing within the T&D standards of this

IMPORTANT:

If there is a Security Warning shown under the toolbar, please select "Enable Content" before completing this form. Do not change the document format when saving, until the form is fully completed and ready for submission.

Additional Instructions:

- For each unmet network adequacy standard, complete question 5.
- Repeat question 5 as many times as needed.
- If you need additional rows, please complete an additional form.

Naming Convention for Submission:

- The Network Adequacy Justification Form file name should include the Company Name, HIOS ID#, Plan Year, Identifier "Network Adequacy Justification Form", and be in .xlsx format.
 - Example: Company Name_12345_PY2026_Network Adequacy Justification Form.xlsx.
- If more than one form is submitted, please include a number in the file name.
 - Example: Company Name_12345_PY2026_Network Adequacy Justification Form (2).xlsx.



Commonwealth of Virginia

Virginia Network Adequacy Justification Form

Carrier Name:				HIOS ID:	
Network ID:		Network Name:			
Plan Year:		Product Type:		Form Completion Date:	
INSTRUCTIONS:	Carriers applying to offer qualified health plans (QHPs) or qualified dental plans (QDPs) on the Virginia Insurance Marketplace must submit a completed Network Adequacy Justification Form addressing each unmet network adequacy standard. For <i>each</i> unmet network adequacy standard, respond to the following questions.				
1. What sources are used to monitor new providers entering the service area?					
2. How often do you monitor your sources for new providers entering the service area?		Please Select			
3. Do you hold QHP/QDP enrollees of this plan responsible for only in-network cost sharing for out-of-network care received when you do not meet the network adequacy standards for network/county/specialty combinations?		Please Select			
4. What is the number of QHP/QDP enrollee complaints received regarding network adequacy during the prior Plan Year?					



Virginia Carrier Recruitment Activity