

# MEMO IN OPPOSITION

FOR IMMEDIATE RELEASE: APRIL 26, 2006

Re: S.7294 (Spano)/A.10554 (Bradley)

An act to amend the insurance law, in relation to information on insurance identification cards.

---

This proposal, S.7294/A.10554 mandates insurance identification cards issued in New York to be populated with specific information pertaining to the insured and their coverage. Any subsequent change in the coverage would require replacement of the card. While well intended, this legislation will not achieve its intended goals and will ultimately stifle innovation and increase health care costs in New York.

Accordingly, the New York Health Plan Association (HPA) opposes this legislation.

## LIMITED SPACE ON ID CARDS MAKES S.7294/A.10553 IMPRACTICAL

Insurance ID cards have limited "real estate" available to include the numerous data elements mandated by this legislation. The more information required to be placed on these cards, the more we compromise efforts to improve their utility. For instance, under this proposal a card would have to provide all co-payments for covered services. Such a requirement fails to take into account changing dynamics in New York's insurance markets, which includes greater co-payment variations based on provider specialty or setting. As an example, under this proposal one plan would be required to list the following co-payments on a single wallet size ID card:

### Physician Services:

Physicals - \$ copay  
Surgery - \$ copay  
Inpatient Hospital Services \$ copay

### Hospital Services:

Hospital Inpatient - \$ copay  
Hospital Outpatient Surgery \$ copay  
Hospital Outpatient Therapeutic Services \$ copay  
X-Ray Services - \$ copay

### Maternity

Physician Services \$ copay  
Hospital Services - Subject to \$ copay  
Delivery - \$ copay

### Emergency Hospital Care

If not admitted - \$ copay

Ambulance Transport - \$ copay

### Preventive Dental

Exam and x-rays - \$ copay

Durable Medical Equipment - % copay

Chiropractic Benefit - \$/office visit copay

### Mental Health

Inpatient - \$ copay/admission  
Inpatient Physician - \$ copay/visit  
Outpatient - \$ copay/visit

### Substance Abuse

Detoxification - \$ copay/admission  
Outpatient - \$ copay/visit

Physical/Occupational Therapy - \$/visit

Home Health Care - \$ copay/visit

Note that this listing satisfies only one of the six mandated data requirements. Information pertaining to an enrollee's drug benefit, which typically includes three to five tier pricing is not included. Implementing this legislation will provide little utility to the enrollee or health care personnel it is designed to assist.

**S.7294/A.10554 UNDERMINES 21<sup>ST</sup> CENTURY EFFICIENCIES AND NATIONAL UNIFORMITY OF ID CARDS**

According to the bill memo, a goal of this legislation is to provide uniformity of information on insurance ID cards. Establishing a New York only template for insurance ID cards will actually undermine national efforts to adopt such standards. This is particularly problematic and expensive for multi-state or regional plans who will need to devise unique cards for New York enrollees. Additionally, this legislation will impede the introduction of technology to facilitate greater consumer and provider improvements including burgeoning “swipe technology.” Finally, as product offerings evolve and become more diverse, providers and enrollees will want to utilize “integrated cards” that ease the financing of an individual’s health care by linking their personal banking and flexible savings accounts. In states where this technology has been initiated, this has meant partnering with credit firms who will require that these cards also carry the indicia of the company (i.e.: VISA, MasterCard) and appropriate security codes, further reducing available space on these cards.

**S.7294/A.10554 WILL INCREASE HEALTH INSURANCE PREMIUMS**

Requiring the distribution of a new card every time there is a change in the voluminous information mandated under this legislation is burdensome and expensive. It is estimated that each card produced costs up to \$2 to manufacture. If half of all New Yorkers were issued new cards, this program (including shipping and handling) would cost in excess of \$20 million. It would seem that people would have to be issued cards annually or more often to meet the rigors of this legislation. While the sponsors may believe this is useful, we suggest that enrollees will find the constant changes confusing.

Plans already provide real time access and more comprehensive information to providers and enrollees alike in a variety of formats – handbooks, 24 hour a day telephone service or through the Internet. The notion that this information can be summed up and effectively communicated to enrollees and providers on a single overpopulated card seems misguided. For all these reasons, and more, the HPA opposes the passage of this legislation.