

MEMO IN OPPOSITION

FOR IMMEDIATE RELEASE: May 5, 2006

Re: A. 2379 (DiNapoli)

An act to amend the public health law and the insurance law, in relation to health care professional applications and terminations

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The New York Health Plan Association (HPA) **opposes A.2379**, a one-house bill which would require health plans to offer providers the right to an administrative hearing *whenever* the plan chooses not to renew a contract.

This bill is unequal and contrary to the essence of contract law, which gives parties the freedom to renew or not to renew contracts that have concluded. The proposal confers to providers rights that no other party in a contractual relationship is afforded. It should also be noted that if a provider chose not to renew his/her contract with a health plan, the plan could not compel the provider to attend a similar type hearing.

Current law already grants providers numerous legal protections including limiting the reasons under which a health plan may terminate a health provider or choose not to renew a contract. For example, plans may not terminate a health provider contract because the provider filed a complaint against the plan, advocated for a patient’s care, requested a hearing or appealed a plan’s decisions.

Health plans must also offer providers an opportunity for administrative hearings whenever a plan terminates a contract prior to its expiration. Current law limits the reasons a plan may choose not to renew a contract with a provider, but it does not require an administrative hearing. However, if a provider believes that the plan inappropriately failed to renew a contract, existing law offers providers legal recourse.

This bill *jeopardizes patients*. Non-renewal of physicians who may have lost hospital privileges, were sanctioned by the Department of Health or involved in criminal activity is appropriate – indeed – critical to a plan’s commitment to provide quality health care. Although most physicians are dedicated and highly competent, this bill limits the ability of health plans to allow contracts with bad doctors to lapse.

**The New York Health Plan Association opposes this bill.**

*The New York Health Plan Association represents 31 health plans that provide comprehensive health care services to nearly 6 million New Yorkers.*