



# MEMORANDUM IN OPPOSITION

FOR IMMEDIATE RELEASE: JUNE 15, 2011

Re: S.4013-B (McDonald)/A.384-A (Paulin) – AN ACT to amend the insurance law and the public health law, in relation to coverage of early intervention services.

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This legislation, S.4013-B/A.384-A, would require health plans to disclose per the written request of municipalities the extent of benefits available under the policy for its members and that the municipality has one hundred and fifty days to bill the insurer for Early Intervention (EI) program services. The New York Health Plan Association (HPA) opposes this legislation because health insurance mandates such as this one result in increased costs for individuals and employers purchasing health insurance in New York.

This bill is technically flawed and confusing. According to the legislation as drafted the health plan upon written request from the municipality must disclose information on the extent of benefits available under the member's policy. First, the legislation merely requires the disclosure of member policy benefits. It fails to ask if the member policy is subject to state regulation. Half of all insured New Yorkers are in federal exempt ERISA plans that would not be subject to municipal billing for EI program services. Secondly, the phrase "extent of benefits available" is unclear and overbroad in the context of EI program services versus traditional medical policy covered benefits. As drafted the bill is confusing as to what exactly "extent of benefits available" are.

Under current prompt pay law health plans are required to adjudicate and pay claims within forty-five days. This legislation would extend the time to file claims from municipalities from one hundred and twenty days to one hundred and fifty days. Claims submitted up to five months after the date of service are difficult to "process", because relevant information is not readily accessible. Moreover, the Office of the Medicaid Inspector General continues to press plans to enhance their claim review and fraud compliance efforts. Finally, stale claims, by virtue of the amount of time passed, are administratively difficult to appropriately manage from a systems perspective.

For these reasons, The New York Health Plan Association opposes S.4013-B/A.384-A.