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MEMO IN OPPOSITION

FOR IMMEDIATE RELEASE: MAY 4, 2007

Re: S.5413 (Leibell)/A.3094 (Bradley)

An act to amend the insurance law and the public health law in relation to the display of participating physicians on an insurance provider's website.

This legislation, S.5413/A.3094, seeks to penalize health plans that voluntarily offer a provider listing on their Website for failure to eliminate providers who no longer participate with the plan within thirty days. Additionally, the bill requires that services rendered by non-participating providers whose names mistakenly appear on the Website be reimbursed for services at an out-of-network rate. Health plans concur that accurate provider information for our members is critical to smooth operations. However, without greater shared responsibilities, the solutions offered in this legislation will fail to achieve its goals. Accordingly, the New York Health Plan Association opposes this legislation.

Current law requires health plans to print and distribute a list of participating providers by specialty to every enrollee and to prospective enrollees upon request. Additionally, most plans present this information on their Website and make it available to members by telephone. This legislation is premised on the misperception that provider disaffiliation largely lies with actions of the plans. In reality, provider disaffiliations from health plans occur for a variety of reasons. Most often providers disaffiliate from plans because they have left their practice, relocated out of the region or retired. Because providers are not required to inform plans when they become disaffiliated, plans are often in the dark as to the provider's status of a particular provider until the contract renewal period concludes.

The proposal's reimbursement provisions for providers previously under contract with the plan further demonstrate the one-sided nature of this legislation. Under the provisions of this bill, a provider that disaffiliates from a health plan without informing the plan may then be able to obtain a higher rate of reimbursement for services rendered. This provision will increase the cost of health insurance and may result in some providers gaming the system.

If the intent of this legislation is to assist enrollees in finding participating providers, we believe this could be achieved with the following amendments:

1. Require all providers who leave a network (by their own volition) to formally notify the plan in writing of their disaffiliation 60 days in advance of their final day of plan participation. Failure to

provide that notice will require the plan to reimburse the provider at a usual and customary charge with no additional “balance billing” to the patient.

2. Require every provider to post, visible to the public, a list of health insurers with which they are affiliated and, prior to offering an uncovered patient a service, inform a patient they could be responsible for additional out-of-pocket expenses.
3. To ease administration, the legislation should require Website updating every sixty days.

Maintaining accurate participating provider lists is a worthy goal and of benefit to enrollees. It is also a shared responsibility, which requires cooperation between providers and plans to ensure the proper flow and exchange of information. Until significant amendments are made to this bill, HPA strongly opposes its passage.

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The New York Health Plan Association represents 30 managed care health plans that provide comprehensive health care services to nearly 6 million New Yorkers.