

MEMO IN OPPOSITION

FOR IMMEDIATE RELEASE: June 19, 2006

Re: A.9573-A (Lafayette)/S.7177-A (Alesi)

An act to amend the labor and insurance laws in relation to organ donation and providing insurance coverage to employers who give a paid leave of absence.

This legislation, A.9573-A/S.7177-A, seeks to have health insurers reimburse employers for lost employee wages in connection with an employee's leave of absence to donate bone marrow or serve as an organ donor. The New York Health Plan Association (HPA) strongly opposes this unprecedented proposal that uses health insurance premiums to underwrite salaries and wages.

BAD POLICY: HEALTH INSURANCE POLICIES PAYING WAGES

Health plans in New York strongly advocate for increasing donor opportunities. Currently, health insurers reimburse providers for the medical care of enrollees who require organ donation and for their donors (even though donors are rarely enrollees of the plan). This legislation takes the extraordinary step of requiring the insurer to reimburse an employer for the lost wages (up to 30 days) of anyone who serves as a donor. HPA supports health plan reimbursement for appropriate health related services pursuant to contract, however, reimbursing for salaries and wages of donors severely distorts the purpose of health insurance.

Additionally, such a provision is not necessary as currently there are numerous established programs available to organ donors to assist them medically and often financially through the period of convalescence. For instance, many donor programs provide a safety net of protection in the form of life, disability and medical insurance for complications that might arise from being a donor. For others, private insurance products may provide recompense for lost wages in these situations.

BIG HIT ON SMALL BUSINESSES

Health insurance costs are the number one concern for small businesses in New York. The cost of implementing this legislation (which will be difficult to calculate) will fall disproportionately on small employers who will be asked to underwrite – through higher insurance premiums - the wages of donors in other companies. Large companies that have sufficient capital to self-insure their health insurance will be able to skirt this mandate entirely. Levying additional costs on small premium payers and inflating health insurance costs to guarantee wages is an inappropriate use of precious health care dollars and must be resisted.

For all these reasons, the New York Health Plan Association strongly opposes this proposal.

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