

MEMO IN OPPOSITION

FOR IMMEDIATE RELEASE: May 16, 2006

Re: S.6576-Spano/A.9658-Bradley

An act to amend the insurance law, in relation to the display of participating physicians on an insurance provider's Website.

This legislation, S.6576/A.9658, mandates health plans to update the list of participating providers on their Website every thirty days in order to eliminate providers who no longer participate. 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. Because this legislation fails to address certain practical problems, the New York Health Plan Association (HPA) opposes its passage.

This legislation inappropriately places the liability for an outdated Web provider list solely on plans, when much of the reason for this problem lies with providers. Current law requires health plans to print and distribute a list of participating providers by specialty to every enrollee as well as to prospective enrollees upon request. Additionally, plans often present this information on their Website and make it available to members by telephone. This legislation presumes that the cause for provider plan disaffiliation largely lies with actions undertaken by the plan to remove a provider. That is simply not the case. Provider disaffiliations from health plans occur for a variety of reasons. Most often the provider has left a practice or has relocated out of the region or retired. Because providers are not required to inform plans when they become disaffiliated from the plan, plans are often in the dark as to the status of a particular provider until the contract renewal period concludes.

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.

2. Require every provider to post, visible to the public, a list the 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 worthy goal. It is also a shared responsibility, which requires cooperation between providers and plans to ensure the proper flow and exchange of information. This legislation places the entire responsibility for providing and maintaining up-to-date lists solely on the health plan. A statute that requires providers to take an active role in assisting in this effort is long overdue. HPA looks forward to working with sponsors to craft a more balanced approach that will achieve the objectives of this legislation. However, until significant amendments are made to this bill, HPA strongly opposes its passage.

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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.