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April 29, 2011

RE: AN ACT to amend the public health law, the social services law and the insurance law, in relation to providing that persons with hemophilia and other clotting protein deficiencies who are otherwise eligible for the Child Health Plus, Family Health Plus, and Healthy New York programs shall have access to reimbursement for outpatient blood clotting factor concentrates and other necessary treatments and services

A.6039 (Gottfried)
S.3865 (Robach)

MEMORANDUM IN OPPOSITION

Submitted on behalf of the Blue Cross and Blue Shield Plans

The New York State Conference of Blue Cross and Blue Shield Plans strongly opposes the enactment of this legislation, which would require reimbursement for outpatient blood clotting factor treatments under the Child Health Plus, Family Health Plus, and Healthy New York programs. Specifically, this bill would require reimbursement for outpatient use of the exceedingly expensive treatments associated with hemophilia and other similar blood clotting disorders. The benefit is currently covered in an inpatient setting and therefore an effective and affordable option for individuals who need blood clotting products is currently available. At a time when the state is slashing funding for government programs and implementing a global Medicaid cap, New York is in no position to require its government programs to shoulder the burden of another extremely expensive mandate, especially when other practical options are readily accessible.

Treatments for blood clotting disorders cost thousands of dollars per treatment, and individuals with these disorders generally require one or more treatments per month. Fortunately, voluntary blood replacement programs are accessible throughout New York State, providing a viable option for individuals who require blood clotting factors. These programs receive funding from a variety of sources including federal grants, corporate contributions, and local foundations, allowing them to provide the expensive clotting factors to those who need them at dramatically reduced rates.¹ Payments are determined on a case by case basis using a sliding scale that is tied to income and affordability for each patient. This allows individuals with hemophilia and related disorders to access the care they need at reasonable rates without relying on Child Health Plus, Family Health Plus, and Healthy New York.

While the cost of adding blood clotting factor treatments to the list of covered services under government programs initially appears to be borne by the state, these costs would eventually be passed on to commercial consumers in the form of increased insurance premiums. Health insurers receive a limited amount of reimbursement from these government programs, and increasing the scope of services that must be provided to individuals covered by them without a commensurate increase in reimbursement to health plans will force the plan to cross subsidize the government program benefit with premiums received from their commercially insured members. As the treatments and services for blood clotting deficiencies are extraordinarily expensive, the associated health insurance premium increases would need to follow suit. Forcing an increase in the cost of health insurance during these exceptionally challenging fiscal times is simply not a viable option.

For all of the forgoing reasons, the New York State Conference of Blue Cross and Blue Shield Plans strongly opposes the enactment of this legislation.

Respectfully submitted,

HINMAN STRAUB ADVISORS, LLC
Legislative Counsel for the Blue Cross and Blue Shield Plans

4846-4125-0057, v. 2

¹ Hemophilia Center of Western New York, <http://www.hemocr.com> (last visited May 2, 2011), The Regional Comprehensive Hemophilia Diagnostic and Treatment Center, <http://www.cornellpediatrics.org/hemophilia/> (last visited May 2, 2011).