



121 STATE STREET
ALBANY, NEW YORK 12207-1693
TEL: 518-436-0751
FAX: 518-436-4751

February 10, 2017

RE: AN ACT to amend the public health law, in relation to prohibiting approved organizations in the child health insurance plan from limiting the participation of certain health care providers

A.3866 (Pretlow)

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 prohibit insurers from requiring that health care providers accept all of the products, including government programs, offered by an insurer. Specifically, this Bill would allow health care providers to pick and choose which programs they wish to participate in based on a product's reimbursement rates. Allowing this sort of cherry-picking by providers would undermine the very purpose of government programs and would substantially increase administrative expenses for insurers. This would eventually result in increased health insurance premiums for consumers.

Government programs such as Child Health Plus (CHP) are designed specifically to provide quality health care at little or no cost to recipients. Allowing all health care providers to choose whether or not to participate in these programs decreases health plans' ability to ensure that providers are supplying quality services to recipients. Allowing providers to cherry-pick in such a fashion would place New York's most vulnerable populations at an even more severe disadvantage.

Moreover, allowing providers to choose to participate in some but not all products would significantly increase administrative costs for all insurance products, including CHP. The current payment system employed by health plans is programmed to accommodate the payment of claims for participating providers for all of an insurer's products. These systems are not currently designed to reimburse providers on the basis of individual products. Adjusting these systems to accommodate such a dramatic change would be costly for health plans, with such an increase ultimately to be borne by our members in the form of higher premiums.

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

Respectfully submitted,

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

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