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January 19, 2024

RE: AN ACT to amend the public health law, in relation to primary care investment

A.8592 (Paulin)
S.1197-B (Rivera)

MEMORANDUM IN OPPOSITION

Submitted on behalf of the Blue Cross and Blue Shield Plans

While the New York State Conference of Blue Cross and Blue Shield Plans is supportive of the intended purpose of this bill – to increase utilization of primary care services – we oppose its passage and enactment because the proposed requirements on health plans are onerous and duplicative. Further, the focus on "barriers, including payment methodologies by health care payors" indicates that the bill ultimately seeks to restrain insurers' ability to negotiate terms of participation with providers – which would necessarily interfere with the ability of plans to reduce the cost of premiums while ensuring the provision of high-quality care.

Specifically, this bill would require all insurers, starting on April 1, 2025, to annually report to the New York Department of Health (DOH) the percentage of the health plan's spending that is attributed to primary care spending. DOH and the New York Department of Financial Services (DFS) would issue joint regulations to set deadlines for reporting and specify the information to be reported, including the specifications for what services constitute primary care services with specific billing and reporting codes. Three (3) months after receiving the data, DOH and DFS would publish an annual report on primary care spending. This new health plan reporting overlaps and duplicates the information DOH already has in the All Payer Database. That database, established by legislation enacted a decade ago, already includes a wealth of payor data collected to complete a "comprehensive picture of the health care being provided to New Yorkers."[1] By requiring the submission of extensive and duplicative information, this bill would impose significant financial and administrative burdens on health plans.

Starting on April 1, 2026, this legislation would require health plans that do not spend at least 12.5% of their total expenditures on physical and mental health on primary care spending to submit

[1] New York Department of Health, *All Payer Database, available at* https://www.health.ny.gov/technology/all_payer_database/.

a plan to increase primary care spending by at least 1% each year until the spending meets or exceeds the 12.5% threshold.

This bill would dictate a minimum standard for primary care spending before the first report on spending is issued by DOH and DFS. Requiring health plans to increase primary care spending by a predetermined amount each year without understanding the fundamental issues surrounding access to high quality primary care will not address this issue. In fact, it may have the opposite effect in that it could result in premium increases, resulting in consumers losing access to primary care when they can no longer afford their coverage.

For the foregoing reasons, the Blue Cross and Blue Shield Plans opposes this bill and urges that it not be enacted.

Respectfully submitted,

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

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