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February 2, 2025

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

A.1915-A (Paulin)
S.1634 (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 enactment because the requirements on health plans are onerous and duplicative. Further, as drafted, the bill ultimately seeks to dictate provider rates and restrict 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, 2026, 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. The DOH and the 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, the 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.

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

Starting on April 1, 2027, 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 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 arbitrarily 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.

Further, the bill requires insurer to adopt policies that increase primary care spending without increasing total medical expenditures, and that spending "shifts" resulting from compliance would not result in higher premiums or cost-sharing. However, any requirement to mandate provider reimbursement will likely result in increased costs. The bill somehow presumes that increases in primary care spending will lower other healthcare costs. Even if this proves to be true in the long term, any immediate increases in primary care spending would result in increased costs that will be passed on to New Yorkers through higher premiums. This bill likely establishes an impossible standard – to increase primary care spending but not costs, including premiums.

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

Respectfully submitted,

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