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April 10, 2026

RE: AN ACT to amend the public health law and the insurance law, in relation to health care professional applications and terminations

A.8052 (Lavine)
S.1911-A (Rivera)

MEMORANDUM IN OPPOSITION

Submitted on behalf of the New York Blue Cross and Blue Shield Plans

The New York State Conference of Blue Cross and Blue Shield Plans strongly opposes the enactment of this bill, which would expand the "tenure" rights of health care professionals terminated or nonrenewed from provider networks. This bill would decrease the efficiency of provider networks by increasing the costs and lowering the quality of medical care delivered to New Yorkers enrolled in health plans.

This legislation will restrict the flexibility of health plans to maintain their provider networks, which will both inhibit the health plans' ability to control costs and increase the overall quality of care delivered by the network. Limiting a health plan from removing unqualified, inefficient, or inadequate health care professionals curtails the plan's ability to attract and enroll more qualified health care professionals.

For example, a health plan may wish to remove a health care professional who has a demonstrated track record of subpar quality and replace such individual with a more qualified health care professional with better credentials, more experience, and a history of improving patient care. This bill would make it far more difficult for the health plan to remove the first health care professional, thus preventing the network from adding the provider with superior credentials. As a result, this bill limits the health plan's ability to improve the quality of its network by removing health care professionals who are less qualified and adding more qualified providers. In this manner, the network would fall far short of its potential for delivering the best care to its enrollees.

Likewise, the reason a health care professional will not be renewed for network participation is frequently due to their desire for an increase in reimbursement. By subjecting reimbursement disputes to a third-party arbitration panel, this legislation will ultimately drive up the cost of

coverage. As both New York and the nation continue to struggle with the underlying rising costs of health care, this legislation is a pathway to exacerbate that issue.

Health plans manage health care costs through their ability to select highly qualified health care professionals who will deliver efficient, quality care in exchange for participation in their provider network. The flexibility of the health plan in making such determinations is crucial to maintaining a network that controls costs without compromising the quality of patient care.

The bill would also result in additional administrative expenses incurred by a health plan when seeking to remove a health care professional. These increased expenses are due to the large expansion of the types of cases subject to administrative review and the expansion of the termination procedure itself. The combined effect of these provisions will make the termination process longer, more complicated, and vastly more expensive. These costs, like any other costs incurred by health plans, will ultimately be passed along to consumers and employers in the form of higher health insurance premiums.

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 to the New York Blue Cross and Blue Shield Plan