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# MEMORANDUM IN OPPOSITION

**FOR IMMEDIATE RELEASE: JUNE 14, 2017**

**Re: S.6053 (Hannon)/A.8051 (Gottfried) – An act to amend the public health and the insurance law, in relation to health care coverage for neonatal intensive care services.**

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The New York Health Plan Association (HPA) opposes S.6053/A.8051, which amends the Public Health Law and Insurance Law to prohibit prior authorization when determining services to be provided in a neonatal intensive care unit (NICU) of a general hospital.

NICU services involve high-complexity decision-making to manage, monitor, and treat critically ill or very low birth weight neonates from birth to initial discharge home. Prior authorization (PA) is a standard health insurance practice that requires providers including a hospital, to give appropriate notice to the applicable insurer. PA for NICU services enables an insurer to coordinate optimal care for the newborn and its family both in the early stages of care and post-NICU stay services.

Without PA, the insurer has no means of being notified of the NICU stay or patient needs. Yet, the legislation provides that “a health care plan . . . [may] deny [] a claim for [NICU] services if the services are subsequently determined not medically necessary.” With this understanding, it is clear that the hospital should still be providing the plan with notice of the NICU services to be rendered, not for purposes of denial, but so that the plan may be made aware and can share information regarding best possible care accordingly. To achieve that goal, HPA proposes that the legislation be amended to require that the general hospital provide timely notice to the insurer within 48 hours of the NICU admission.

Another ancillary impact of eliminating the PA for NICU stays is that the consumer is now responsible for payment for the services if the health plan determines that the services were not medically necessary. With PA the plan can review the hospital services prior to services being provided and work with the hospital and family to ensure that services that are provided will be covered by the plan. This legislation may result in families be held responsible for payment for very expensive hospital services not covered by their health plan.

For this reason, HPA opposes S.6053/A.8051 as written, but hopes to work with the legislation’s sponsors to amend the bill and include provisions for an appropriate notice requirement.

*The New York Health Plan Association represents 29 managed care health plans that provide comprehensive health care services to nearly 8 million New Yorkers.*