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# MEMORANDUM IN OPPOSITION

**FOR IMMEDIATE RELEASE: FEBRUARY 1, 2019**

**Re: A.1619 – AN ACT to amend the insurance law, in relation to coverage for eating disorders**

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The New York Health Plan Association (HPA) opposes Assembly bill A.1619, which would greatly expand New York’s existing mandated coverage of eating disorders. HPA opposes mandates because they increase the cost of coverage for consumers and employers, ultimately undermining affordability and leading to some people becoming uninsured.

New York already requires plans to cover all eating disorders contained in the American Psychiatric Association’s Diagnostic and Statistical Manual of Mental Disorders (DSM) *at Comprehensive Care Centers for Eating Disorders*. By expanding the requirement to cover all eating disorders contained in the DSM, it undermines the importance of Comprehensive Care Centers.

New York’s public policy regarding eating disorders specifically states in the legislative findings section of the Comprehensive Care Centers for Eating Disorders statute that:

*“The legislature further finds that, while there are numerous health care providers in the state with expertise in eating disorder treatment, there is no generally accessible, comprehensive system for responding to these disorders. Due to lack of such a system the legislature finds that treatment, information/referral, prevention and research activities are fragmented and incomplete. In addition, due to the broad, multifaceted needs of individuals with eating disorders, insurance payments for the necessary plan of care and providers is usually fragmented as well, leaving citizens with insufficient coverage for essential services and, therefore, at risk of incomplete treatment, relapse, deterioration and potential death.*

*The legislature therefore declares that the state take positive action to facilitate the development and public identification of provider networks and care centers of excellence to provide a coordinated, comprehensive system for the treatment of such disorders, as well as to conduct community education, prevention, information/referral and research activities. The legislature further declares that health coverage by insurers and health maintenance organizations should include covered services provided through such centers and that, to the extent possible and practicable, health plan reimbursement should be structured in a manner to facilitate the individualized, comprehensive and integrated plans of care which such centers are required to provide.”*

This bill will confuse consumers and lead to fragmented care for those suffering from eating disorders. Comprehensive Care Centers for Eating Disorders were created to ensure effective diagnosis and treatment for patients struggling with eating disorders, and require a continuum of interdisciplinary

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providers and levels of care. Such effective diagnosis and treatment further requires the coordination and comprehensive management of an individualized plan of care specifically oriented to the distinct needs of each individual provided by Comprehensive Care Centers for Eating Disorders.

Further, the cost of this bill will disproportionately fall on small businesses, as expanding existing mandated benefits force them to include benefits they and their workforce may not want or need, exacerbating the challenge they face to find affordable health care options. Mandated benefit bills pertain only to fully-insured policies, which are purchased either by individuals who purchase coverage on their own or receive it through a small or medium-sized business. Large companies typically "self-insure," providing employee health benefits by directly paying health care claims to providers. They are governed by the Federal Employee Retirement Income Security Act (ERISA) and are not subject to state mandated benefits. Included in ERISA is a provision preventing states from deeming employee health benefit plans to be in the business of insurance for the purpose of state oversight, which preempts states from regulating these plans.

One reason that large employers typically self-insure is to avoid covering certain mandated benefits. This exemption offers self-insured employers greater control over the particular benefits they cover for their employees. Today, roughly 50 percent of the commercial market in New York is covered under a self-insured plan. As more employers self-insure, state laws mandating specific types of benefits and services, or expanding existing mandates as these bills would, affect an increasingly smaller portion of the privately insured marketplace and fall largely on small and medium-sized employers.

We urge you to say no to A.1619.

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