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MEMORANDUM IN SUPPORT

FOR IMMEDIATE RELEASE: FEBRUARY 27, 2019

Re: A.4071 (Gottfried) – AN ACT to amend the public health law, in relation to membership on the public health and health planning council.

The New York Health Plan Association (HPA), which represents 29 health plans that provide coverage to eight million New Yorkers, supports A. 4071. The legislation would expand the membership of the Public Health and Health Planning Council (PHHPC) by increasing the number of consumer and labor representatives on the council. The bill is an important step to promoting greater accountability in reviewing the impact of mergers, acquisitions and other transfers of health care facilities.

Rising costs remains the most pressing health care issue facing employers and consumers. New York has some of the highest health care costs in the country, and markedly higher than the national average. Health insurance premiums reflect the cost of care. Continued increases in the cost of hospital services – both inpatient and outpatient – is one of the largest factors contributing to increases in premium costs. As such, the high prices charged by some providers exacerbates the challenge to keep coverage affordable, and the consolidation taking place in the delivery system is a significant factor to increases in the prices providers charge for services.

The wave of mergers, acquisitions and affiliations among hospitals, physicians and other providers will reshape the health care system for years to come. Some have suggested that these transactions will result in better integration and improved quality for patients. However, a growing body of research indicates that provider consolidation merely leads to enhanced bargaining power for providers with no notable improvement in the quality of care for patients.

It is essential that these changes lead to better care and lower prices rather than higher costs through enhanced bargaining power. Expanding the PHHPC to include additional consumer representation would help to ensure a robust process for reviewing how these changes affect the cost of care and these transactions benefit consumers through lower costs and better quality.

For all these reasons, we urge you to support A.4071.

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