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MEMORANDUM IN SUPPORT: SECTIONS A, B, C, D, E, G & H MEMORANDUM IN OPPOSITION: SECTIONS F & I

FOR IMMEDIATE RELEASE: MARCH 8, 2021

Re: A.3470-A(Gottfried)/S.2521-A (Rivera) - The Patient Medical Debt Protection Act

The New York Health Plan Association (HPA), which represents 29 health plans that provide coverage to 8 million New Yorkers, supports several sections (Parts A, B, C, D, E, G and H) of the legislation, but are opposed sections F and I of A.3470-A/S.2521-A.

We support the legislation's intention to protect New Yorkers from unfair medical bills and aggressive debt collection practices by providers. The bill includes a number of common-sense measures to safeguard consumers from hidden fees and excessive costs. Specifically, Part D would prohibit hospitals and health systems from charging facility fees to patients, which are often a surprise to patients and add to their out-of-pocket costs. Likewise, Part H would provide additional protections to patients by reducing the time medical providers have to sue for unpaid bills and capping interest rates for medical debt.

Additionally, Parts C, E, and G would help to simplify the bills consumer receive and expand support programs for more individuals. For example, Part C would require hospitals to provide a single, itemized bill that includes all services provided during the hospital stay or course of treatment. Part E would require hospitals, health systems and affiliated providers to use a simple, standard financial liability forms and Part G would increase the income limit for financial assistance from 300 percent to 400 percent. When taken together, Parts A, B, C, D, E, G, and H would help to reduce the complexity of health care for consumers and protect them from egregious billing practices. HPA supports these efforts.

However, we oppose Part I, which would require that consumers be held harmless from emergency services and surprise bills if they relied on information from the health plan or provider concerning the provider's status. Health plans are required to ensure that directories are accurate and updates are made in a timely manner, that said, a health plan directory is constantly changing. For example, providers move, retire or decide to leave a health plan network resulting in daily changes to the provider directories. Moreover, there are very few requirements on providers to notify a health plans of status changes, which can cause delays in making updates. Part I also is problematic because it would make health plans responsible for representations made by health care providers who are not affiliated with the health plan. Health plans should not be held responsible for representations made by providers where there is no contractual relationship between the two parties. Part I eliminates the incentive for a consumer to do his or her due diligence in selecting an in-network provider for a health care service and may actually incentivize fraudulent behavior.

While HPA and its member health plans have been long-time advocates of increased transparency around the cost and quality of health care, Part F lacks important safeguards to ensure commercially sensitive information remains confidential. Increased transparency is a key step in reducing health care

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costs and educating consumers and employers about the cost of medical care. That said, transparency efforts need to ensure that they do not lead to anti-competitive activities. Here, the legislation lacks measures that would strike that balance. Even federal antitrust regulators have recognized the tension between facilitating better information for consumers while limiting the potential for anticompetitive behavior. Specifically, the FTC has raised concerns with state transparency efforts, noting that while these efforts may appear to be procompetitive, including information related to price and cost, may actually chill competition. Without appropriate safeguards or protections, the exchange or release of proprietary or confidential information has the potential to facilitate collusion, reduce competition and increase prices and the availability of health care services, all to the detriment of consumers.

For all these reasons, we **SUPPORT Parts A, B, C, D, E, G, and H** but **OPPOSE Parts F and I** of A.3470-A/S.2521-A.