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# MEMORANDUM IN OPPOSITION

FOR IMMEDIATE RELEASE: FEBRUARY 28, 2021

Re: A.5185 (Abinanti) / S.2533 (Rivera) – AN ACT to amend the public health law, in relation to payment of claims submitted by healthcare agencies

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The New York Health Plan Association (HPA) opposes A.5185/S.2533. This bill would “notwithstanding” the prompt pay statute to provide a statutory definition of “clean claim” as it would apply to home care providers and shorten the time a plan has to provide written notice to a provider that a claim, or part of a claim, is being disputed from 30 to 15 days. The bill also provides an onerous list of requirements the plan must specify as its reason(s) for pending a claim or part of a claim.

The prompt pay statute was established in 2000 to provide for a reasonable process to protect patients and providers by ensuring that providers are paid in a timely manner. The legislation was developed in collaboration between plans, providers and the state to arrive at a workable and fair process. This legislation is unnecessary and inappropriate, as there are already sufficient protections in the existing statute to incentivize plans to appropriately pay claims submitted in a timely manner.

Home care is a multi-billion industry in New York State, mostly reimbursed by the Medicaid program. New York is the only state that places no limitations on the Medicaid home care benefit to limit either hours or dollars spent on the program, making it the richest home care benefit in the U.S. As part of the Medicaid Redesign (MRT) process, the state decided to transition nearly all home care provided under the Medicaid program into managed care to better coordinate and manage care being provided to Medicaid members. While the transition included a period of disruption as plans and providers adjusted to a new process, more than five years into the process, plans have worked diligently to resolve those issues. Most recently, plans worked with the state for over a year to implement universal coding to the greatest extent possible to help avoid confusion on the part of providers.

Plans must be given adequate time to review claims submitted by home care providers, which constitute millions of hours of care provided to hundreds of thousands of people, with costs covered almost entirely by taxpayers. The existing prompt pay statute allows for such an appropriate review. The state transitioned home care services into Medicaid managed care in part due to the recognition that it could not appropriately monitor the system internally. This legislation would impose an undue administrative burden on plans – particularly managed long term care plans whose administrative reimbursement is already capped at a rate of nearly half of what the state’s actuary estimates plan costs to be. Moreover, the state, which paid reimbursement directly to home care providers under the Medicaid program prior to the managed care transition, is exempt from the prompt pay statute, offering no such protection to providers. Any proposal to amend the prompt pay statute must take the considerations of all sides into account to maintain a functioning healthcare delivery system.

For all the reasons detailed above, HPA urges you to reject A.5185/S.2533.

*The New York Health Plan Association represents 28 managed care health plans that provide comprehensive health care services to more than 8 million New Yorkers.*