



Westchester
County Association

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For Immediate Release

Westchester County Association Endorses Cuomo Inquiry Into Health Insurers' Scheme to Rig Reimbursement Rates

*Business Organization Has Been Leading Advocate
for Reform of HMO Practices*

WHITE PLAINS, NEW YORK (February 14, 2008) The Westchester County Association (WCA) today strongly endorsed Attorney General Andrew Cuomo's investigation of health insurance companies to defraud consumers and health care providers by manipulating reimbursement rates.

Cuomo announced Wednesday that 16 subpoenas had been issued to the nation's largest health insurance companies. At the center of the investigation is a suit against UnitedHealth Group and its subsidiary Igenix. Additional subpoenas will be issued to Aetna, Cigna and Empire Blue Cross Blue Shield among others.

William M. Mooney, Jr., WCA President, said: “The business community is very pleased by the Attorney General’s investigation that complements our ongoing efforts to level the playing field for hospitals, physicians, patients and employers. One of our findings was the disproportionately low reimbursement rates that are harming physicians, hospitals, consumers and business owners compared to the HMOs excessively high profits in New York State and the growth of reserves that far exceed the required minimum.”

Three years ago, the WCA’s Task Force on the Healthcare Crisis, began its investigation into HMO practices. Together, with the Suburban Health Care Alliance it helped to create, the WCA was instrumental in passing legislation to mandate market conduct changes that were signed into law successively in 2006 and 2007 by Governors George Pataki and Eliot Spitzer to prevent further erosion of the region’s—and state’s—economic vitality.

Aware of the WCA’s initiative, Attorney Cuomo General requested a meeting between members of the WCA Blue Ribbon Task Force and his staff to learn about its recommendations for additional reforms. On November 15, Timothy Clune, the Bureau Chief of the Health Care Bureau; Michael Berlin, Deputy Attorney General for Economic Justice and Doris Morin, Assistant Attorney General, Westchester Regional Office were briefed at the WCA’s offices.

Mooney added: “The Attorney General’s action, which follows on the heels of our recent meetings with state legislators, will help in getting the much needed additional reforms mandated to stop the abuses that are threatening both our economic vitality and the public’s access to healthcare.”

Mooney noted that earlier this week, he had been invited by Assemblyman Adam Bradley to meet with the new Chair of the State Assembly Insurance Committee Assemblyman Joseph Morrelle in Albany. Assemblyman Morrelle was interested in hearing about the findings of the Blue Ribbon Task Force about the unfair

market dominance of health insurers over business and health care providers. “We stressed how these unfair practices have weakened the economic infrastructure across the state and that immediate action is needed to end further deterioration.”

The lawmakers were urged to help enact legislation about market conduct and related issues based on the following recommendations of the WCA and other Suburban Alliance members:

- Increase regulatory oversight of the HMOs by the Superintendent of Insurance
- Establishing a statewide Healthcare Reinvestment Fund similar to the banking industry’s Community Reinvestment Act that would return some of the profits of the insurers to the hospitals to help make capital-intensive investments needed to enhance their technology and infrastructure.
- Obligate insurers to pay when an authorized service is rendered
- Require insurers to issue standardized health insurance identification cards
- Provide hospitals and groups of physicians with limited anti-trust immunity to negotiate with health insurers
- Prevent health insurers from re-routing physician and hospital payments to patients when they have asked insurers to pay providers directly
- Limit financial liability of patients by prohibiting policy of changing in-network hospital coverage to out-of-network status when a patient’s physician is not in the network.
- Preventing insurers from re-routing physician and hospital payments to patients when patients have requested insurer to pay directly

The Westchester County Association (www.westchester.org) is the preeminent business membership organization in Westchester County. The Association is committed to business advocacy, economic vitality and to providing a strong and clear voice for the

interests of businesses on the regional, national and international levels. Its key objectives are: promoting positive economic development in the region; fostering business development; and providing its members with access and interaction with key public and private sector individuals, agencies and organizations.