

Healthcare Association of New York State

Business Group and Hospitals Protest Empire's Payment Policies

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At a news conference yesterday in White Plains hosted by The Westchester County Association, hospital and business leaders joined forces to draw attention to Empire Blue Cross Blue Shield's inadequate payment policies. Helen Turchioe, Executive Director, Pinnacle Healthcare, said that its contracts with Empire are set to expire June 30 and that little progress has been made in negotiations. Pinnacle includes three hospitals: Hudson Valley Hospital Center, The Mount Vernon Hospital, and Sound Shore Medical Center of Westchester.

"The main issue is Empire's reimbursement rates to our hospitals, which are unreasonably low. In these tough economic times, our community hospitals can no longer accept Empire's payments that are far below what other insurers pay for the same high quality care," said Ms. Turchioe.

"The business community shares the financial pain of the hospitals' plight. Each year, employers are being hit with double-digit increases in their health insurance premiums. The hospitals are not being fairly reimbursed by the insurance companies and businesses keep paying higher premiums every year. Where is all this money going?

Into the pockets of the big insurance companies," said William Mooney, President, The Westchester County Association.

"Empire is trying to create a cookie-cutter approach to health care as they step over our patients and our hospitals and claim themselves as the self-appointed stewards of the health care dollar. They are trying to push every state in the union into one box and create a health care system that works for them--not for the patient or those who provide the care," said Neil Abitabile, President, Northern Metropolitan Hospital Association.

Pinnacle and hospital officials also voiced concern about significant changes Empire has proposed in the new contract that would reduce or eliminate payment for major patient care services. John C. Federspiel, President and Chief Executive Officer, Hudson Valley Hospital Center, said, "By financially punishing hospitals for treating patients in accordance with the medical judgment of their medical doctors, Empire wants to decide what's best for your health care. We believe that a physician--not an insurance company bureaucrat--should make decisions about a patient's medical care."

John Spicer, President and Chief Executive Officer, Sound Shore Medical Center, said there has been a dramatic rise in the number of policies instituted by insurance companies such as Empire that result in denial or reduction of payments to hospitals and doctors. "This is unfair, not just to providers, but also the purchasers and consumers of health care coverage," he said.

Ms. Turchioe said Pinnacle would continue discussions with Empire and make a good faith effort to reach agreement on a new contract as soon as possible.