

# WCA Claims a Win in Health Care Reform Fight

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A lobbying alliance of Westchester business leaders, physicians and Hudson Valley hospital officials called a new law that tightens the reins on managed health care companies a victory in their ongoing battle to level the playing field for employers, health care providers and patients in their dealings with insurers.

“A lot of people are going to be helped by this,” Neil Abitabilo, president of Northern Metropolitan Hospital Association (Normet), a Newburgh-based nonprofit that represents about 40 hospitals in the seven-county Hudson Valley region, said last week at a news conference hosted by the Westchester County Association, a leader in the health care reform effort in Albany. Abitabilo was describing legislation, signed by Gov. David Paterson in late July that reforms some market practices of HMOs and health insurance companies. “This is great for everybody,” he said of the bill that was passed by the Senate and Assembly five years after it was drafted.

Among the law’s several key provisions, hospitals and physicians will benefit from a reduction in the time that insurers have to reimburse electronically submitted claims, from 45 days to 30 days.

John Neubauer, a board member at Putnam Hospital Center in Carmel and president of AVP Business Products Inc. in Patterson, noted hospitals in New York state rank second lowest in profitability nationwide. “This legislation should help raise that rating if it gets hospitals paid sooner and improves cash flow,” he said.

The law also limits to two years the time insurers have to claim overpayments to health care providers. Insurers also are prevented from treating an in-network hospital or physician as out-of-network in cases where a patient uses multiple health care providers that include one outside a plan network. Patients pay more from their own pockets for out-of-network care.

For patients, “Essentially what they were trying to do was make it economically impossible to go out of network,” Dr. Andrew Kleinman, past president of the Westchester County Medical Society, said about insurers.

Kleinman said the bill also “starts to close the loophole” that insurance companies use to skirt state regulations on licensed HMOs with insurance products that are HMO look-alike plans.

John Federspiel, president of the Hudson Valley Hospital Center in Cortlandt Manor, said patients and their families will benefit from provisions requiring managed-care companies to provide access to transitional care for patients leaving hospitals and reducing the time insurers have to review requests for post-hospital home health care. Federspiel said delays lasting several weeks are not uncommon for patients in Normet hospitals awaiting their insurer's approval of transitional care.

Westchester County Association President William M. Mooney Jr. said the new law benefits businesses by requiring insurance companies to issue refunds or premium credits to policy holders or subscribers when a plan does not meet its required medical loss ratio – the percentage of premium dollars collected for a health insurance product that is spent on health care services. The loss ratio – 75 percent for small group plans and 85 percent for large employer groups – did not change with the new legislation.

As a business owner, Neubauer said his company would benefit from that refund requirement. With the managed care plan reforms included in the bill, "I think it means I'm going to have a better product to offer employees. The only thing you worry about is are they going to raise your premiums. That's one of the things this law doesn't address."

"This is an ongoing battle," Assemblyman Adam Bradley said. The HMOs and health insurers "are one of the strongest special interest groups not only in the state but in the country."

"In the last several years we've made incremental progress," the White Plains Democrat said. "There is still so much more to be done to level the playing field and get more reinvestment in health care" from insurance companies. "This legislation is a step in the right direction."

Bradley, Kleinman and Abitabile all said hospitals and doctors for years were stymied in their lobbying efforts in Albany until business advocates, particularly the WCA and its task force on health care reform, joined the fight.

"If it's just the hospitals and the docs complaining, we sound like a bunch of whiners," Abitabile said. Noting the working alliance of business, hospitals and physicians, Bradley said, "If there's one thing I credit the HMOs and health insurers for, it's that they've made a system so bad that they've even brought together these disparate groups."

The new legislation and "ongoing struggle," said Kleinman, "is really about the patients being able to get care and being reimbursed fairly for it."