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Cuomo administration pushes for out-of-network billing protection

by MATTHEW L. MCKIBBEN

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The state's Superintendent of Financial Services, Benjamin Lawsky, stood with health care consumer advocates in Albany Monday urging lawmakers to pass legislation Gov. Andrew Cuomo outlined in the Executive Budget that would protect patients from surprise out-of-network medical bills.

In an attempt to strengthen protections for health insurance consumers in the state, Cuomo proposed relieving patients from having to fight for reimbursements for out-of-network bills by placing the responsibility for resolving billing disputes with insurance companies and medical providers.

Lawsky lauded the governor for the proposed legislation that would improve disclosure requirements on insurers, doctors, and hospitals, allowing consumers to more easily know which providers are out-of-network, how much those providers expect to charge, and how much the insurer expects to cover. He went on to say that while many patients try to stay in-network, they are often unaware of the ancillary out-of-network services that are provided to them, and the financial toll can be devastating.

"Surprise out-of-network medical bills are one of the most common consumer complaints we receive... since 2008 we have received more than 10,000 complaints," Lawsky said. "Under the governor's proposal, someone gets hit with a surprise out-of-network bill the consumer gets a held harmless, they drop out of the equation and we set up an independent arbitration process."

Under the governor's reform, an arbitration process, similar to the one that exists in Major League Baseball, would be exercised to settle billing disputes between doctors and insurers. When the patient challenges an out-of-network medical bill, each side would present their case to an arbitrator, who decides which party is fiscally responsible.

Lawsky said the governor's proposal, fewer patients in New York will be subject to medical bills that sometimes cost upward of \$10,000.

After undergoing cervical spine surgery in April 2012 Claudia Nappo, a Manhattan resident, said her life changed forever. Nappo, a concert pianist, said even after double-checking that



Benjamin Lawsky discusses a Cuomo administration plan to remove consumers from disputes about surprise, out-of-network health care costs. *Photo by Matthew McKibben.*

her doctor was in-network, she was still hit with exorbitant medical bills totaling more than \$100,000, a decimating figure for her family, she said.

"The situation arose out of misrepresentation that the surgeon was in my network... I did my due diligence, I researched this physician and read reviews on the hospital's web pages, I used the telephone physician referral system, and contacted the surgeon's patient coordinator in the neurosurgery department, all three confirmed that [the doctor] was in-network," Nappo said.

However, these services did not inform Nappo that the doctor left her network in 1996.

The New York State Conference of Blue Cross and Blue Shield Plans, issued a statement in response to the governor's proposal.

"Our members continue to struggle with the underlying increases in coverage," said Deborah Fasser, a spokeswoman for the merged health insurance plans. "We are actively working with the governor's staff and the Legislature to develop a balanced approach that increases member rights without increasing the cost of coverage."

Mark Scherzer, legislative counsel to New Yorkers for Accessible Health Coverage, said his group has been trying to get a bill similar to the governor's passed for several years but has come up short. Scherzer also commended Lawsky and Cuomo for pressing the Legislature to pass this protection measure.

"All the aspects of these disputes would be addressed by this bill, it would be far-reaching and it would be a model for the nation," Scherzer said. "We strongly urge that the Legislature take action."

The Associate State Director for AARP of New York, Erin Mitchell, said her organization is in "full support" of the reforms proposed by the governor. She went on to say the changes would allow patients to recover from medical procedures instead of having to fight for money from large insurance companies.

"Health care costs are a leading cause of bankruptcy in this country, being hit with an unexpected out-of-network medical cost is like having salt poured into an open wound," Mitchell said.