



Crain's Health Pulse

Tuesday, March 25, 2014

Out-of-Network Lobbying

The state Department of Financial Services is pushing for passage of the governor's budget proposals to increase coverage for out-of-network medical care. DFS Superintendent Benjamin Lawsky joined advocacy groups including the AARP, American Cancer Society Action Network, Consumers Union, Health Care for All New York, and New York Families for Autistic Children in Albany yesterday. In his [letter to the Legislature](#), Mr. Lawsky said DFS had received more than 10,000 complaints regarding insurance reimbursements since 2008. The governor's proposal assigns an arbitrator to determine a fair reimbursement for medical providers. Insurers strenuously oppose the legislation. "Each of the proposals under consideration will increase health insurance premiums to varying degrees," said the Conference of Blue Cross and Blue Shield Plans in a statement. While the group supports greater disclosure of costs and charges, it is "concerned about minimum provider payments, or mandates, that drive up the cost of coverage," the statement said.

NY's Underinsured Middle Class

The Affordable Care Act's expansion of dependent coverage for young adults reduced the numbers of uninsured Americans to 47 million in 2012 from 49 million in 2010, according to a new [Commonwealth Fund study](#). But that leaves many people—including those with incomes from \$47,000 to \$95,000—either uninsured or underinsured. In a state-by-state analysis of 2012 Census data, Commonwealth Fund researchers found that nationally, nearly 79 million people under 65 did not have adequate coverage. That translates to about 29% of Americans. The highest rate of uninsured or underinsured was 38%, and was found in Florida, Idaho, Nevada, New Mexico and Texas. New York's rate was 24%, or more than 4 million New Yorkers. That means New York is doing better than the U.S. average, but not as well as Massachusetts, where the rate is just 14%. The study defined "underinsured" as having insurance but still spending 10% of income or more on medical costs. That status puts people at risk of not being able to get health care or being burdened with excessive debt, researchers said.

Opaque Medical Costs

Last year, a report on health care cost transparency from Catalyst for Payment Reform and the Health Care Incentives Improvement Institute gave 26 states failing grades for insufficient explanation of health care costs. This year, just four states received better than an F (New York wasn't one). "There still is a very significant gap between what the legislation requires and what is happening," said François de Brantes, the institute's executive director. "Very often, the [legislation] is not specific enough." The institute examined legislation and regulations on health care costs. The best scores go to states that require reporting from payers, not just providers, and make cost information available on a public website. New York scored poorly because, while some hospital charges are public, there is little information on payers, said Mr. de Brantes. "The state is freeing up charge data that is made available by hospitals," he said. "But charge data does not at all represent what consumers pay." He added that nearby states, including Vermont, Connecticut, Massachusetts and Pennsylvania, have all created databases of claims paid by insurers, which is a more accurate representation of costs associated with treatment. The full report is [online here](#).

Community groups to weigh LICH bids

With one day left to score proposals for the Long Island College Hospital site, neighborhood community groups will hold a meeting tonight at [St. Francis College](#) to discuss the [nine proposals](#) that were made public Friday. The meeting has no formal role in the selection process, but at least one bidder, the Fortis group, will attend, according to a spokeswoman.

The new RFP's requirements may make it more difficult for bidders to drum up community support. "SUNY's taking the position quite clearly that if [bidders] say anything, it constitutes a public announcement, and that they could be disqualified on that basis," said Jim Walden, the lawyer for community groups who had sued to keep LICH open. Mr. Walden will lead the discussion at the meeting, which will consist of architects, doctors, lawyers and community groups who will present the bids and answer questions from residents.

SUNY has not yet decided if it will send a representative to the meeting, a spokesman for the university said.

Of the nine proposals, four include a full-service hospital. Offerings range from \$210 million (the minimum required by SUNY) from Trindade Value Partners to \$251 million from the Chetrit Group, whose proposal would lease space to an unnamed health care company. The responses have been redacted, however. The offering price from Don Peebles remains secret, and just 50 pages of Fortis' 422-page bid are readable. "It doesn't strike me that there is any material basis for having some prices redacted but not the others," said Mr. Walden.

SUNY's spokesman could not explain why Peebles' offering price was hidden.

The selection committee—whose members include Borough President Eric Adams, City Council member Carlos Menchaca, Dr. John Romanelli of Concerned Physicians of LICH, and Dr. Fred Hyde, a clinical professor at Columbia's Mailman School of Public Health—will finish scoring the proposals tomorrow. SUNY's board of trustees will meet April 3 to discuss the results, and will start negotiations with the winning bidder April 4.

At A Glance

EXCHANGE: With one week left to sign up for health insurance before enrollment for 2014 ends, 717,207 New Yorkers have signed up on the New York State of Health. Just under half, or 48%, signed up for private coverage; the rest received Medicaid. Some 70% were previously uninsured, according to the state Department of Health.

AWARD: New York's exchange has won the Citizens Budget Commission's 2014 Prize for Public Service Innovation, which will be presented at the CBC's award dinner tonight.

FOR-PROFITS: Connecticut is considering three separate bills to limit for-profit hospitals in the state, [the Connecticut Mirror reported](#).