

Medical Society of the State of New York

420 Lakeville Road, Lake Success, New York 11042
1 Commerce Plaza, Albany, New York 12210

For Immediate Release

Contact: Moe Auster at 518-465-8085 or mauster@mssny.org; or Lynda Lees Adams at 516-488-6100 x344 or ladams@mssny.org.

NY State Medical Society Raises Concerns at Hearing on GHI-HIP Conversion

NEW YORK, NY (January 29, 2008) – The President of the Medical Society of the State of New York (MSSNY), raised numerous concerns today at a New York State Insurance Department (SID) hearing on the proposed conversion of the health insurer, GHI-HIP from not-for-profit to a for-profit corporation. Robert B. Goldberg, DO, testified that the conversion of the giant insurer could adversely affect the patients and the practices of the state’s physicians who belong to his non-profit organization.

Dr. Goldberg cited examples of previous conversions that resulted in reduced care for patients and reduced fees for providers – despite increased premiums for patients and businesses – so that the companies could generate “enormous profits” for their shareholders. He said, “We believe these profits are being generated on the backs of the patients who seek care, the physicians and others who provide the care, and the businesses who ultimately pay for the care.”

Dr. Goldberg expressed concern that granting GHI-HIP (now Emblem) – which already ranks relatively low in patient satisfaction – for profit-status would just “increase its financial incentives to avoid making payment for necessary care, and increase the power of the company to achieve such an objective.” In referencing the adverse consequences of other health insurer mergers, he said, “We are concerned that this is becoming a ‘race to the bottom’ where the only winners will be these companies’ shareholders.”

If it does approve the conversion, Dr. Goldberg urged the SID to be vigilant in making sure that its appointed oversight committee carries out its functions to:

- Assure that the affiliation does not adversely impact the health plan benefit options available to HIP-GHI enrollees;
- Safeguard GHI-HIP subscribers against any anticompetitive behavior on the part of GHI- HIP related to the affiliation; and
- Assure that the affiliation of GHI and HIP does not result in a lowering of reimbursement to providers to levels less than they would be without an affiliation.

Moreover, Dr. Goldberg urged the SID to take even stronger steps “to protect against the ‘bottom line’ mentality that inevitably comes about as a result of for-profit health plan operation.”

In closing, Dr. Goldberg, pointed out that an easier way to allay the medical society’s concerns would be to grant physicians the right to collectively negotiate, a right for which MSSNY has lobbied for many years.

If you have questions about Dr. Goldberg's testimony and/or would like to arrange an interview, contact Moe Auster at 518-465-8085 or mauster@mssny.org; or Lynda Lees Adams at 516-488-6100 x344 or ladams@mssny.org.

Founded in 1807, the Medical Society of the State of New York is the state's principal non-profit professional organization for physicians of all specialties. Its mission is to represent the interests of patients and physician to assure quality healthcare services for all.