



MEDICAL SOCIETY OF THE STATE OF NEW YORK

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NY Can Not Afford to Lose Doctors

ALBANY (2/9/2010) – “New Yorkers can not afford to lose doctors – for health or economic reasons,” Gerard L. Conway, Senior Vice President and Chief Legislative Counsel for the Medical Society of the State of New York (MSSNY), said in his testimony before the New York State Senate Finance Committee and the Assembly Ways and Means Committee, which were reviewing the Governor’s Proposed Public Health Budget for 2010-2011.

Mr. Conway said the medical society’s just-released, comprehensive report, titled “Economic Impacts of Private Practice Physicians in the State of New York,” illustrates why the budget must not include provisions that discourage physicians from practicing in New York. He cited some of the statistics that verify how vital physicians are to the state and local economies: Private physician practices employ almost a third of a million people in the state; they generate over \$4.5 billion in state tax revenue and nearly \$4.7 billion in local tax revenue. “These contributions,” Mr. Conway said, “are in addition to the value inherent in all the preventative and treatment healthcare that physicians and their staffs provide to New Yorkers.

MSSNY outlined several budget proposals that would help attract and retain physicians in New York State while reducing the costs and improving the quality of healthcare for patients:

- **Medical Liability Reform** – Comprehensive legislation is needed to change the current, failed medical liability adjudication system, which neither accurately identifies malpractice nor fairly compensates victims. It is a grossly inefficient process consuming an unacceptably high percentage of premium and income in process costs rather than injury compensation. These system failures cause physicians to practice defensive medicine, adding significantly to health system costs for both the private and public sectors.
- **Excess Medical Liability Program** – As recommended by the Governor, the state should continue to support the program that provides additional medical liability insurance for physicians because, without this program, many doctors simply could not continue to practice.
- **Medicaid Reform** – Payment reform and the elimination of administrative hassles is necessary to maintain and increase physician participation in the Medicaid program and thereby increase patient access to affordable quality healthcare.
- **Doctors Across New York Program** – A continuation and expansion of the Doctors Across New York partial loan repayment and practice support program, as proposed by the Governor, is necessary to attract more primary care and certain specialty

physicians, such as Ob-Gyns, to serve patients in New York's rural and inner-city underserved areas.

- **Surcharge on Payors** – The proposal to require health insurers to pay a surcharge on certain services billed must be reconsidered so that we assure that the surcharge being imposed on health insurers is not passed on to physicians in reduced fees, to patients in increased costs and decreased coverage, and/or to employers in increased premiums.
- **Insurance Department Oversight of Premium Increases** – As proposed in the Governor's Budget, the authority of the New York State Superintendent of Insurance to oversee health insurance premium rate increases should be reinstated, and the minimum medical-loss ratio permitted for individual and small group health insurance policies should be increased to 85 percent. Left unchecked, the six companies controlling 77 percent of New York's insurance market will continue to reduce coverage and physician fees while increasing patient/employer premiums and sending profits out of state.
- **Excise Taxes on Cigarettes and Sugary Drinks** –The Governor's proposed excise taxes on cigarettes and sugary drinks could lower long-term healthcare costs by discouraging unhealthy consumption habits and increase revenues for healthcare spending by as much as \$650 million.

The complete testimony of the Medical Society of the State of New York can be viewed on its website at www.mssny.org. The complete economic impact study will soon be posted also.

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