

MEDICAL SOCIETY of the STATE OF NEW YORK

Morris Auster, Esq.

Senior Vice President /
Chief Legislative Counsel

Division of Governmental Affairs

MEMORANDUM IN OPPOSITION

OPPOSITION TO REPEAL OF PHYSICIAN RIGHT TO APPEAL CLAIMS TO INDEPENDENT RESOLUTION PROCESS (PART H OF S.8807/S.8307 – HMH ART. 7 BUDGET BILL)

On behalf of the over 20,000 physician and medical student members of the Medical Society of the State of New York, and the hundreds of thousands of patients they treat each year, we are writing to you to **strongly oppose** a proposal within Part H of the Executive Budget Health & Mental Hygiene bill that would eliminate the right of physicians to bring a claim dispute to the Independent Dispute Resolution (IDR) process for various public health insurance plans.

We are very concerned with the serious adverse impact that this change will have on patients' access to skilled specialty physician care, including access to needed and often immediate surgical care in hospitals across the State. In implementing New York's successful surprise billing law, policymakers have regularly sought to ensure access to a fair dispute resolution process to resolve payment disputes that does not favor either physicians or health insurers. Without the ability to access this appeal process, physicians will be forced to accept absurdly low Medicaid payment rates that do not even come close to covering physicians' rapidly rising overhead costs. New York notoriously has among the lowest Medicaid physician payment rates in the country [Medicaid-to-Medicare Fee Index | KFF](#).

This, in turn, will likely discourage many physician specialists from providing essential on-call emergency department care, at a time when many such departments are already frequently understaffed and have insufficient on-call coverage. Even worse, this change will encourage these Medicaid Managed Care plans to significantly cut payments for all of their network-participating physicians, endangering access to care for their enrollees and further threatening the viability of many community-based physician practices. There have been other circumstances where the loss of access to appeal claims through the IDR process leads to health insurers cutting payments precipitously and narrowing their networks. The end result is that many of these physician practices will be forced to seek private equity backing simply to stay afloat, or will be forced to shutter their practices altogether and move to other states.

The relatively small State Budget savings of this proposal is significantly outweighed by the significant risk that this change would have on patient access to urgently needed skilled physician care. We urge that this proposal be rejected as part of adopting a final State Budget for fiscal year 2024-25.

**MMA – Oppose
1/25/24**

Respectfully Submitted,

MSSNY DIVISION OF GOVERNMENTAL AFFAIRS