



action  
FOR HEALTH



January 23, 2024

Submitted electronically to [financechair@nysenate.gov](mailto:financechair@nysenate.gov) and [wamchair@nyassembly.gov](mailto:wamchair@nyassembly.gov)

The Hon. Liz Krueger  
Chair  
Senate Finance Committee  
172 State Street, Capitol Building  
Room 416 CAP  
Albany, NY 12247

The Hon. Helene E. Weinstein  
Chair  
Assembly Ways and Means Committee  
Legislative Office Building  
Room 923  
Albany, NY 12248

**Re: Written Testimony: Health Joint Public Hearing, State Fiscal Year (SFY) 2024-25 Executive Budget Proposal**

Dear Chairs Krueger and Weinstein:

Thank you for the opportunity to submit this written testimony for today's Health Joint Public Hearing on the State Fiscal Year (SFY) 2024-25 Executive Budget Proposal. I am founder and president of Action for Health<sup>1</sup> and its affiliated State Care Network.<sup>2</sup>

Upon reading the Budget Proposal and analyzing current trends in New York's healthcare marketplace, our comments below focus on three specific areas. We appreciate you, the Committees, and your staffs taking the time to consider them.

**Part H, Article 7: Health and Mental Health Budget Bill (A.8807 / S.8307)**

Our most significant concern with this year's Budget Proposal, this Article would **exclude managed Medicaid plans from the state's independent dispute resolution (IDR) process. In no uncertain terms, this would be disastrous if enacted.**

A large number of less fortunate New Yorkers now have these plans. In fact, as of last month, there are 5.08 million managed Medicaid beneficiaries statewide.<sup>3</sup> Additionally, physicians rely on the ability to access the IDR process to receive payment for the care they provide. This Budget Proposal provision is in particularly bad faith, as the Department of Financial Services (DFS) just agreed to change this back in regulations. This would cause

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<sup>1</sup> Action for Health, [www.action4health.org](http://www.action4health.org).

<sup>2</sup> State Care Network, <https://www.action4health.org/state-care-network>. A special project of Action for Health, the State Care Network monitors, investigates, and provides recommendations on healthcare issues in states nationwide.

<sup>3</sup> New York State Department of Health, "Recipients Enrolled in Mainstream Medicaid Managed Care by Country, Plan, Aid Category, and NYSoH", accessed: [https://www.health.ny.gov/health\\_care/managed\\_care/reports/enrollment/monthly/2023/docs/en12\\_23.pdf](https://www.health.ny.gov/health_care/managed_care/reports/enrollment/monthly/2023/docs/en12_23.pdf).



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remaining independent physicians to stop offering care to these patients, who are often the most in need. It would also be harmful to the state's hospitals' negotiating power with health plans.

The Hochul administration tried to give this hand-out to health plans by changing the regulation, but ultimately, and thankfully, relented. This was illegal, and it was not supported by the Senate and Assembly. However, now the Governor's team is trying to slip this major item into her Budget Proposal.

**Ultimately, enacting this provision would provide a giant gift to the state's health plans, and represent a gigantic threat to patients and physicians.**

### **Health Plan Market Dominance**

We devote a significant amount of energy scrutinizing how large health insurance companies not only prevent patients from accessing the care they need, but also unfairly use their monopolistic power to not pay the state's medical providers. Make no mistake, UnitedHealthcare – the nation's fifth largest corporation<sup>4</sup> and administrator of New York's Empire Plan – would love nothing more than to keep driving down reimbursement rates for New York's physicians.

One egregious development that has caught our attention is the fact that the state's venerable Mount Sinai health system cannot even receive an acceptable contract with UnitedHealthcare.<sup>5</sup> The system will be out-of-network with United come March 1. Founded in 1852, the system has over 7,400 physicians. This is proof that the state's healthcare pendulum has swung too far in favor of health plans.

### **Medical Malpractice Insurance**

We are opposed to forcing physicians to pay for half of their excess malpractice insurance. This burden would mainly fall on independent medical specialists at a time when they are already struggling significantly. If Albany wants to reduce malpractice expenses, the Senate and Assembly should work in concert to reform tort laws. New York's tort system is arguably the nation's worst, and one that causes billions of dollars to be spent on defensive medical costs.

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<sup>4</sup> Ranked by annual revenue. Fortune 500, accessed: <https://fortune.com/ranking/fortune500>.

<sup>5</sup> Mount Sinai Health System, "Protecting Patient Access at Mount Sinai", accessed: [https://keepmountsinai.org/?\\_ga=2.225375770.103483507.1706045220-1557816997.1706045218](https://keepmountsinai.org/?_ga=2.225375770.103483507.1706045220-1557816997.1706045218).



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Again, we appreciate the opportunity to provide this written testimony. We look forward to the Senate and Assembly's continued work not only on approving the State Budget, but also hopefully addressing these healthcare concerns. Should you require additional information relative to this testimony, or if you have any questions, please do not hesitate to contact me at (202) 823-2333 or [contact@action4health.org](mailto:contact@action4health.org).

With best wishes,

Sincerely,

Christopher G. Sheeron  
President  
Action for Health  
State Care Network

Cc: The Hon. Carl E. Heastie  
Speaker, State Assembly

The Hon. Andrea Stewart-Cousins  
Senate Majority Leader