



MEDICAL SOCIETY OF THE STATE OF NEW YORK

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**STATEMENT OF ROBERT HUGHES, MD
PRESIDENT-ELECT
MEDICAL SOCIETY OF THE STATE OF NEW YORK**

At a

**NEW YORK STATE INSURANCE DEPARTMENT
PUBLIC FORUM
HEALTH INSURANCE EXCHANGES**

**MAY 16, 2011
ALBANY, NEW YORK**

Good morning. My name is Robert Hughes, and I am a practicing otolaryngologist in a solo small business in Saratoga Springs. I am also President-elect of the Medical Society of the State of New York. I want to thank you for hosting this forum today and for providing an opportunity for the public to provide input as New York State works to create the health insurance exchange that is required under the federal Affordable Care Act (ACA). PPACA I prefer, as it should all be about Patient Protections, not just affordability.

Both of my parents dedicated their lives to the practice of medicine as physicians, as have all of their 7 children.

I love this job.

I love this profession.

I am no different from most physicians in the reality that we have dedicated our lives and our families to the health and welfare of our patients. Often at great personal sacrifice. So, I can assure you that the physicians of New York State are here with you to make this exchange work, for the betterment of all New Yorkers.

Representing New York's physicians and patients, I have suggested several concepts during the several meetings held by both the Paterson and Cuomo Administration regarding the creation of exchanges. We believe it is imperative that policies be enacted, either through action by federal, or state, policy makers, that **create a practice environment in New York State where physicians** will be able to provide the care that is expected of them. We can anticipate that hundreds of thousands of individuals will obtain health insurance coverage through the exchange. We must adopt policies that protect the rights of patients: to obtain the timely and quality care they need, and from the physician of their choice. This will require policies that take steps to **address health insurer abuses** that place **unnecessary obstacles** in the way of patients seeking care; and physicians seeking reimbursement for providing that care.

Moreover, recognizing that we need to assure a robust supply of physicians in New York State, it is imperative that we adopt policies in New York State that address the unsustainably enormous cost, both financially and emotionally, of medical liability. Health risk insurance and compensation reforms must be initiated to address the grossly dysfunctional system we currently have for resolving allegations of medical liability. There is no debate that the current litigation structures are harmful to the health care distribution system.

Certainly, enormous numbers of individuals who will seek to obtain coverage through the exchange. This **gives New York State a tremendous opportunity** to implement rules that will assure that the health insurers who seek to provide this coverage act responsibly. To this end, MSSNY has established a Health System Reform Implementation Committee which has been charged with developing principles that should be followed by New York State as it establishes, implements and governs a health insurance exchange. Regardless of which organizational model (state agency, public authority, or non-profit), Structure model, and Purchase participation model, is determined to be the most appropriate structure for housing the exchange, the Medical Society of the State of New York believes that the following goals must be met:

1. Exchanges must include practicing physicians in their governance structure and not exclude physicians based on conflict of interest.
2. Exchanges should maximize health plan choice for individuals and families purchasing coverage and should allow for the offering of high deductible health insurance plans (HDHP) issued in conjunction with Health Savings Accounts (HSAs), provided that the HSA is not controlled by the insurer issuing the HDHP. Exchanges must assure that HSAs are fully funded by the individual or employer. An HRA must be a protected account for COBRA purposes.
3. Exchanges should maximize affordability by enhancing competition among qualified health plans.

4. Exchanges should maximize health plan choice in benefit design and must minimize cost sharing for individuals and families purchasing coverage.
5. Exchanges should provide a high level of transparency to enable patients to make an informed choice of insurer. A standardized comparison tool that allows patients to compare plans offered on the exchange is essential to enabling an informed choice of insurer.
6. Exchanges must comply with the State's Freedom of Information and Open Meetings laws and Members of the Board of Directors shall comply with ethics rules including disclosure of outside interests and potential conflicts of interest.
7. Exchanges must assure that insurers disclose their methodology for covering-out-of-network care which must be based on the new FAIR HEALTH medical cost reporting system. Exchanges must assure that insurers in such disclosures include patient cost-sharing amounts.
8. Exchanges must assure that qualified health plans maintain adequate physician networks and not place unreasonable obstacles in the way of enrollees' access to out-of-network physicians. Physicians must not be forced to participate in certain qualified health plans participating in an exchange or in Medicaid.
9. Exchanges must be self-supporting after the federal planning and establishment grants expire. Taxes or fees on physician services should not be applied either directly or indirectly to pay for exchange operations.
10. Exchanges must require qualified health plans to comply with the AMA's Health Insurer Code of Conduct Principles (attached).
11. Exchanges must require that qualified health plans adhere to national standards to facilitate administrative simplification for claims processing including standard coding sets and coding edits based on the AMA CPT codes, guidelines and conventions and the National Correct Coding Initiative (NCCI).
12. Exchanges must require that qualified health plans comply with all statutory and regulatory physician and patient protections enacted or implemented by the State of New York.
13. Exchanges must assure that qualified plans, in their process for prior authorization, utilization review and other practices, utilize only medical guidelines developed by medical specialty societies recognized by the American Board of Medical Specialties or American Osteopathic Association.
14. Exchanges must be available to all residents of New York State, including legal immigrants and legal aliens.

We thank you again for requesting our perspective. New York's physician community is eager to work with you in a cooperative way to assure that patients will be able to receive the timely quality care they need and expect to receive as they obtain health insurance coverage through these exchanges.

And now, personally, I am really excited by the hopes for change that an exchange offers NSY. We can be the great state again. And it will start with control of monopsony power of insurers, fair compensation models for medical misadventure, and a new spirit of cooperation among providers of health care, hospitals, insurers, and of course the patients.

Thank You.