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MEMORANDUM IN OPPOSITION

May 26, 2022

To: Members of the Hudson Valley Delegation of the New York State Legislature
From: Michael N. Romita, President & CEO of the Westchester County Association
Re: A.8169 (Cruz) – In Assembly Insurance Committee S.7199 (Gounardes) – In Senate Insurance Committee: “HEAL Act”

BILL SUMMARY: This bill would enact the New York “Heal Act” which would amend the Insurance Law to prohibit certain provisions in contractual agreements between health plans and healthcare providers.

The Westchester County Association (“WCA”) is a professional membership organization comprising a diverse group of businesses and nonprofits that rely on us to advocate for policies and laws to foster economic development in the region and meet the needs of our communities. WCA’s members include hundreds of the region’s foremost organizations which collectively employ hundreds of thousands of workers. Amongst the WCA’s primary focus areas for a stronger regional economy is support for a strong and vibrant healthcare community. As such, the WCA regularly engages with government representatives to ensure that healthcare remains at the center of policy discourse.

The WCA strongly opposes the HEAL Act legislation as do the hospitals in our region. This bill would amend the Insurance Law to prohibit the inclusion of certain provisions in contractual agreements between health plans and healthcare providers. **This legislation would nullify contract provisions negotiated in good faith which is an unprecedented move of overreach by lawmakers. And it would thumb the scale in any future negotiations between insurance carriers and healthcare providers.**

If the pandemic has taught us anything, it is that access to appropriate medical care needs to be protected. This proposed legislation adversely affects patient choice and access to care, erodes comprehensive and coordinated care networks, and disproportionately impacts community safety net hospitals. Health plans would be allowed to cherry pick hospitals, clinicians and physician practices from the health system that it wants to include in its network, leaving patients with limited or no choices.

If the proposed legislation is based on the premise that hospitals and health systems have the advantage when negotiating with plans or that they are financially stronger than health plans, that is a grossly inaccurate. For-profit health plans reaped extraordinary profits during the Covid pandemic as many patients did not receive routine care. Hospitals on the other hand have been on the frontline in combatting this disease and every other public health issue past and future. This legislation would only serve to exacerbate the excessive market power that the for-profit managed care industry wields vis-à-vis providers, employers and consumers.

For these reasons, the Westchester County Association strongly opposes this legislation.