



The New York State Society of Anesthesiologists, Inc.

110 East 40th Street, Suite 300, New York, NY 10016 USA

TELEPHONE: 212-867-7140 | FAX: 212-687-1005 | INTERNATIONAL: +00 followed by number | WEBSITE: www.nyssa-pga.org

MEMORANDUM IN *QUALIFIED* OPPOSITION A3470A (Gottfried) / S2521A (Rivera) “Patient Medical Debt Protection Act”

The New York State Society of Anesthesiologists strongly supports the intent of this legislation to ensure that patients receive clear, concise and timely bills. **However, we are very concerned about the implications of the provisions in this legislation that would prohibit a physician or other provider with any financial or contractual relationship with the hospital from separately billing a patient.**

Given that the professional services provided by a contracted physician are likely only to be a small component of the overall hospital services received by a patient, we are extremely concerned that prohibiting a private physician group from separately billing a patient for services provided at a hospital puts the physician group at a distinct financial disadvantage, will increase health care costs, and ultimately reduce patient quality of care.

There is a high likelihood that a hospital will not pay a physician group on a timely basis, thereby undermining the financial stability of independent practices and harming their ability to continue to provide necessary patient care. Moreover, there are numerous complicating circumstances that this bill as written fails to address. These include further billing for applicable patient cost-sharing as required by their insurance policy (co-pay, coinsurance, deductible, etc.) after a claim has been paid by the insurance company, and how partial payments will be allocated between the multiple health care parties whose services are being billed by the hospital.

In addition, prohibiting private physician groups from billing patients will put even greater pressure on groups to sell their practices to large hospital systems, forcing physicians to become employees and undermining the independence of the patient-physician treatment relationship. This pressure already exists in every part of the State, and indeed across the country.

This bill will for all intents and purposes, force physician practices to become employees of hospitals in order to receive timely and adequate payments, at a time when many physicians are already being forced into employment arrangements in order to continue delivering care due to the very difficult practice environment.

The current trend of hospital acquisition of physician practices drives up health care costs and can reduce patient quality of care.¹ According to a February 2019 report, nationwide hospital purchases of physician practices grew from 35,700 in July 2012 to 80,000 in January 2018. This 128% growth represents more than double the number of hospital-owned practices.

¹ PAI. Updated Physician Practice Acquisition Study: National and Regional Changes in Physician Employment 2012-2018, February 2019

LEGISLATIVE REPRESENTATION

Charles J. Assini, Jr., Esq. | NYSSA Legislative Counsel and Representative | **Higgins, Roberts & Suprunowicz, P.C.** | 1430 Balltown Road, Schenectady, New York 12309
TELEPHONE: 518-374-3399 | FAX: 518-374-9416 | E-MAIL: CJAssini@HRSLaw.us.com and cc: GKCarter@HRSLaw.us.com | WEBSITE: www.HRSLaw.us.com

Robert Reid, Shauneen McNally, Marcy Savage | NYSSA Albany Lobbyists | **Reid, McNally & Savage, LLC** | 1 Commerce Plaza, Suite 402, Albany, New York 12210
TELEPHONE: 518-465-7330 | FAX: 518-465-0273 | E-MAIL: Bobr@lobbywr.com and cc: Kellyk@lobbywr.com | WEBSITE: www.lobbywr.com

The report also found that costs rise for services performed in a hospital outpatient setting as opposed to a private physician's office. **Those costs are increasingly borne by government payers as well as higher out-of-pocket costs for patients.**

Another recent study found that "consolidation has a negative impact on quality measures used to monitor care quality as well as patient satisfaction." "Increased market concentration was strongly associated with reduced quality across all 10 patient satisfaction measures." The study concluded that "patient satisfaction fell as market concentration increased," and "overall clinical quality of care could suffer."²

The New York State Society of Anesthesiologists strongly supports greater transparency and timeliness of billing for patients. We are committed to working with the sponsors of this legislation to achieve these goals and to preserve the independent physician practice model and high-quality patient care. **We respectfully request that this bill be amended to allow physicians with a contractual or financial relationship with a hospital to separately bill patients for the services that they provide.**

² Rice University, Baker's Institute for Public Policy, February 14, 2019