

I am writing to you to thank you for your support last year of legislation which began to correct some of the abusive practices engaged in by health plans in their relationships with health care providers, patients and health insurance purchasers. We made a good beginning last year but it was only a beginning and much more needs to be done to rein in grossly excessive insurance company profits generated by denying providers fair compensation, denying patients necessary care and regularly increasing at double digit rates the insurance premiums charged to individuals, employers and public entities.

Specifically, I am asking you to support (S.3804, Leibell), a bill which would help curtail ongoing insurer abuses including: Unjustified delays in payment despite a prompt payment law; deviance from nationally accepted standardized claim submission rules with little or no explanation of the basis for the deviation; assigning the services of a physician to another company often with far different clinical and reimbursement standards and doing this without the physician's written consent; and unilateral changes in contract terms including clinical and reimbursement terms.

HMOs are able to impose unfair contract provisions on physicians because of the enormous bargaining power which stems from their incredible market dominance. Most regions of the state are only served by a few health plans. In fact, five HMOs insure almost 75% of the state's managed care enrollees. As a result, most physicians are presented "take it or leave it" contracts that impose one-sided terms. Physicians face an impossible choice - either accept the contract with these unfair provisions or lose a major portion of their patient population. This is particularly problematic when a physician has a longstanding relationship with many patients who may be covered by a particular insurer.

As you know, liability costs for physicians are already at enormous levels and likely to go up significantly again July 1. If the health care companies are allowed to continue these outrageous tactics while my medical liability premiums and other practice costs continue to go up, I will be unable to remain in practice. Something must be done before health care in this community is irreparably harmed!

I and other physicians are asking the State Legislature to correct these health plan abuses. Please support S.3804. Thank you.