

IN ASSEMBLY INSURANCE COMMITTEE

A.4468-B(BRADLEY)

IN SENATE INSURANCE COMMITTEE

S.5183 (MORAHAN)

**AN ACT to amend the insurance law,  
in relation to requiring medical  
insurers to permit patients to assign  
their payment**

This legislation would amend the Insurance Law to require health insurers to offer their enrollees the ability to assign payment directly to all health care providers who render care to such enrollees, regardless of the participation status of such health care provider. **The Medical Society supports this legislation.**

Many patients are enrolled in managed care insurance plans that permit such patient to receive care from a physician who is not a participating provider in the insurance company's panel. This option permits the patient to visit the health care provider who they believe is best able to treat their particular condition. However, to limit the use of such non-panel providers, HMOs and insurance companies use "non-assignment" clauses to prevent patients from assigning their payment for the care to physicians who are not a participating provider in the patient's health care plan. Such clauses are not only used as a method of strong-arming physicians into becoming participating providers in that insurer's network, they in effect limit the patient's ability to access their out of network benefit.

As a direct result of these "non-assignment" clauses, many physicians who provide care on a "out of network" basis have experienced the following unfair situation: A patient receives treatment from an out-of-network physician. The physician, in the interest of the patient, does not require the patient to pay in advance for treatment. The patient receives the treatment and submits a claim to their insurance company. The insurance company then sends a check to the patient to reimburse the provider for the treatments received. The patient then fails to reimburse the out-of-plan provider. This leaves the provider unpaid for services rendered and puts a financial strain on the provider and hinders their ability to continue to see patients without first requiring payment. Enactment of this legislation would reduce this problem by assuring that the patient can assign reimbursement for their care directly to the physician who provided such care.

**Based on the foregoing, the Medical Society supports this legislation and urges its enactment.**

5/1/07  
MMA - support

**Respectfully submitted,**

**GERARD L. CONWAY, ESQ.**