S.7297 (Hoylman-Sigal) / A.3789 (Weprin)

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BILL
S.7297 (Hoylman-Sigal) / A.3789 (Weprin)
SUBJECT
Utilization Review Changes
DATE
May 28, 2025
OPPOSE

The Business Council opposes S.7297 (Hoylman-Sigal) / A.3789 (Weprin) which would enact new standards to health plans utilization review criteria, make changes to prior authorization requirements and prohibit health plans for denying claims to providers for patients who are no longer covered by the health plan.

Prior authorization (or preauthorization) is an important tool designed to protect patients and ensure they receive clinically appropriate medical care from a health care professional with appropriate training. The prior authorization process protects patients from potential overtreatment and unnecessary testing, saves patients from superfluous medical costs, and allows plans to improve care coordination for patients. Without prior authorization, patients could be exposed to tests, procedures and services that are not medically necessary and may cause harm. These protections are critical to ensure a patient receives safe and effective care.

Removing prior authorization only removes critical protections to care for the patient. It can also lead to unnecessary costs if certain protections are not put in place for the patient. For example, this proposed bill would mandate ongoing authorization for the duration of a prescription but fails to acknowledge that a patient's medication can change and that certain changes could lead to potentially dangerous interactions with existing prescriptions. Prior authorization exists to protect patients. New York's small and medium-sized businesses and their employees cannot continue to shoulder the burden of ever-increasing health care insurance premiums, especially when those regulations and mandates remove necessary patient protections.

Further, this bill prohibits health plans from retroactively denying claims to providers for services provided to patients who are not covered by that health plan at the time of service. If an employee leaves a job (where they had received their health insurance coverage) and that former employee seeks medical services and provides the provider with inaccurate health insurance coverage information for a plan in which they are no longer covered, it would be completely unfair and fiscally irresponsible to require the health plan to pay for services for an individual who is no longer a member of the plan. This may be unintentional by the patient, however, that should not place the responsibility to pay on the plan when the patient received services on a date in which they were not covered. This could incentivize fraud and could subsequently lead to higher health insurance coverage costs for all.

The Business Council is committed to working toward a more affordable New York for businesses and consumers alike. However, this legislation, no matter how well-meaning, has unintended consequences. Unfortunately, if this bill becomes law it will result in higher health insurance premiums for employers and their employees. It will be another challenge employers face as they seek to provide their employees with affordable health care coverage.

It is for these reasons that The Business Council opposes S.7297 (Hoylman-Sigal) / A.3789 (Weprin).