



## Mental Health Association in New York State, Inc.

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### Memorandum in Support

#### A.252 (Cahill)

*AN ACT* to amend the social services law, the public health law and the insurance law, in relation to prohibiting a provider of health care coverage from requiring providers of behavioral health services to offer all products offered by the provider of health care coverage.

The Mental Health Association in New York State (MHANYS), representing 26 Mental Health Association affiliates serving the mental health needs of New Yorkers in 50 counties supports A.252. This legislation would prohibit managed care organizations (MCO) from including “all-products” clauses (APCs) in contracts with behavioral health organizations.

APCs require service providers to participate in all products offered by the MCO (currently and prospectively) without the benefit of re-negotiation when a new product is brought to the provider. The provider is informed that unless it accepts the terms of the existing contract with the MCO as the term for the new business line, the MCO will cancel *all* contracts with that provider. This coercive tactic threatens access to and continuity of care in the public mental health system

Six states across the country have outlawed use of the APC concluding that it contributes to a system filled with inequities, restricts access to care and provides insurers with an unfair advantage. In a settlement agreement focused on unfair business practices New York’s Attorney General prohibited Excellus from the use of all products clauses for an extended period. And there is ample evidence of similar responses from Attorneys General around the country.

Failing to prohibit threatens the viability of the public behavioral health safety net system, which is already under extreme fiscal distress. If reimbursement rates approximated cost of care there would be less a need for a prohibition of this language, but rates in the behavioral health system are between 1/3 and 1/4 of the Medicaid rate for most commercial products. This disparity combined with use of all products language would put current and future Medicaid and commercial insurance beneficiaries at risk of losing their current provider while threatening availability of care across the state and making network adequacy standards impossible to meet in the managed care environment.

MHANYS believes that health insurance plans should not be permitted to require behavioral health care providers to accept “all products” as a condition of participation with that MCO. To do so is to threaten initial and continued access to care for Medicaid clients as well as those who are unable to afford private mental health services. We urge you to enact A.252 this legislative session.

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