



Hudson Headwaters considers dropping two insurance plans

By MAURY THOMPSON, thompson@poststar.com

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Hudson Headwaters Health Network is threatening to stop accepting two of the four major health insurance plans in the region unless those plans increase payments for office visits and primary care services.

"We have no choice but to call the question," said Dr. John Rugge, executive director of Hudson Headwaters, which treats about 60,000 patients spread out across 12 health centers in Warren, Saratoga, Essex and Hamilton counties.

The two plans in jeopardy are MVP Healthcare and Blue Shield of Northeastern New York, Rugge said.

Hudson Headwaters recently reached agreement on a new contract with Capital District Physicians Health Plan and Empire Blue Cross, the two other major health plans Hudson Headwaters accepts.

If Hudson Headwaters does stop accepting MVP and Blue Shield, patients would be faced with changing health plans, driving a half-hour or longer to another doctor who does accept the plan, or going without health insurance.

Hudson Headwaters operates the only health centers in Warrensburg, Bolton Landing, Indian Lake, Chester, North Creek, Schroon Lake, Ticonderoga and Moriah.

Spokesmen for both health insurance companies said company officials continue to negotiate with Hudson Headwaters.

"Somehow, some way, at some point, these things usually have a way of working themselves out," said Gary Hughes, an MVP spokesman.

"Our intent is to continue to work together to serve our members," said Karen Merkel-Liberatore, spokeswoman for Blue Shield of Northeastern New York.

Blue Shield is reviewing Hudson Headwaters' request for increased payment, she said.

Rugge said he hopes Hudson Headwaters can reach agreement with the two plans.

"We're hoping for a deal, but we're anxious because we don't have one," he said.

The threat of cutting off the two health insurance companies comes as many employers are about to hold open enrollment periods, in which employees choose health plans for the next year.

Rugge, in a press release, suggested patients ask their employers to include Capital District Physicians Health Plan and Empire Blue Cross in the group of plans they offer.

Hudson Headwaters has set up a telephone hot line that patients can call to discuss how they would be affected if Hudson Headwaters dropped down to two major plans.

The telephone number is 832-6944.

Payments from all insurance companies in 2005 ran 25 percent to 30 percent below what federal Medicare and state Medicaid programs paid, Rugge said.

Hudson Headwaters receives higher-than-typical Medicare and Medicaid payments because of a designation that recognizes its health centers operate in isolated areas and serve a large share of patients with no health insurance.

Insurance carriers raised their payment rates somewhat last year, Rugge said.

Now Hudson Headwaters is insisting insurance companies pay the same rates the government pays.

"We need to make sure the private companies pay their fair share," Rugge said.

Hudson Headwaters needs additional money to stay solvent and to be able to offer pay sufficient to recruit and retain doctors in a competitive job market, Rugge said.

The past few years, Hudson Headwaters has survived on one-time grants and by dipping into reserve funds, Rugge said.

He said Hudson Headwaters is looking to close a funding gap "in the five figures," but he would not say exactly how much more money Hudson Headwaters is asking from insurance companies.

"They've said we need to make a significant increase, a lot more than cost of living," said Hughes, the MVP spokesman.

Insurance companies struggle to keep premiums at a cost employers can afford to pay, he said.

Glens Falls Hospital, which operates health centers in the region, is facing similar challenges with low rates health insurance companies pay for doctor visits, and particularly for laboratory services, but the hospital has no plans to drop any insurance companies, said Ray Agnew, a hospital spokesman.

"We monitor that very closely, and it's something we'll keep an eye on," Agnew said.

Health centers operated by Saratoga Hospital, likewise, do not plan to drop any insurance companies.

"At this point, we are not having any contractual issues," said Ellen Kerness, spokeswoman for Saratoga Hospital.

Spokesmen for the two insurance companies emphasized that Hudson Headwaters continues to accept their plans for the time being.

"We want to reassure our members they can continue to see those doctors," said Hughes, of MVP.

Blue Shield's contract with Hudson Headwaters does not expire until the end of 2008, Merkel-Liberatore said.

Hudson Headwaters, she said, would have to provide six months notice if it decided to terminate the contract early.