

## **5.6 Adverse Reimbursement Change**

Effective January 1, 2010, Public Health Law 4406-c was amended to indicate the requirement for giving written notice of adverse reimbursement changes to a provider's contract and allowing the provider to terminate the contract, as follows:

- Senior Health Partners will provide written notice at least 90 days prior to an adverse reimbursement change to the provider contract
- If the provider objects to the change, he/she may, within thirty days of the date of the notice, give written notice to Senior Health Partners to terminate the contract effective upon the implementation of the reimbursement change
- Under the law, an adverse reimbursement change is defined as one that "could reasonably be expected to have an adverse impact on the aggregate level of payment to a healthcare professional"

The following are statutory exceptions to the notice requirement:

- 1) The change is otherwise required by law, regulation or applicable regulatory authority, or is required due to changes in fee schedules, reimbursement methodology or payment policies by the State or Federal government or by the American Medical Association's Current Procedural Terminology (CPT) Codes, Reporting Guidelines and Conventions; and
- 2) The change is provided for in the contract between Managed Care Organization (MCO) and the provider or the IPA and the provider through inclusion of or reference to a specific fee or fee schedule, reimbursement methodology or payment policy indexing mechanism.

There is no private right of action for a healthcare professional relative to this provision.