

SENATOR KEMP HANNON
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December 9, 2015

Karen Ignagni, President & CEO
Emblem Health
55 Water Street
New York, NY 10041

Dear Karen:

As you are aware, I have heard from a number of physicians as well as the Medical Society of the State of New York regarding your recent decision to not renew contracts with approximately 750 physicians. I appreciate your responsiveness to my inquiries and the information you have provided.

In your November 25th letter to Troy Oechsner you explicitly state that the goal in ceasing arrangements with these 750 physicians is to minimize fee-for-service arrangements and expand your value-based provider payment arrangements. The letter sent to physicians informing them of their nonrenewal also advises the physician that Emblem is reducing its fee-for-service network consistent with federal and state initiatives and that they may request reconsideration of the nonrenewal. However, it remains unclear whether these physicians were granted an opportunity to enter value-based payment arrangements prior to them being dropped from Emblem's network of providers. Furthermore, it remains unclear, whether the providers will be favorable reconsidered if they are capable and willing to enter such arrangements in a timely manner, or what other factors may be taken into account upon reconsideration.

I believe further information must be made available to enable the physicians you have chosen to drop from your network to properly be reconsidered. Certainly, your goal of moving toward more value-based methodologies is laudable and in line with current federal and state initiatives.

I look forward to further clarity on this issue. I also look forward to further conversations with you and the Department of Financial Services to ensure your network of providers remains robust and consumers continue to have access.

Sincerely,

A handwritten signature in dark ink that reads "Kemp Hannon". The signature is fluid and cursive, with the first name "Kemp" and last name "Hannon" clearly distinguishable.

Kemp Hannon
Chairman, Senate Health Committee

KH/ak
cc: Liz Dears Kent, Esq.