



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

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Attorney General

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VIA FAX AND FEDERAL EXPRESS

Nicholas P. Kambolis
Associate General Counsel
HIP Health Plan of New York
55 Water Street
New York, New York 10041-8190

Timothy F. Smith
Assistant Vice President
Legal Services
GHI
441 Ninth Avenue
New York, New York 10001

Re: Physician-Ranking Program

Dear Messrs. Kambolis and Smith:

As you may know, the Office of the Attorney General is conducting an industry-wide investigation into physician-ranking programs designed and operated by health insurers in the State of New York. We are informed that GHI/HIP is in the process of designing a physician-ranking program which would operate in New York.

While we are not opposed to physician-ranking programs in and of themselves, we have previously expressed concerns that an ill-designed program carries a significant risk of causing consumer confusion, if not deception.¹ As noted in a Powerpoint presentation at an industry symposium you hosted on May 24, 2007, regarding your proposed program, one of the challenges in designing an appropriate ranking program is that “[m]easures of quality and efficiency are not yet adequately developed.” Moreover, as noted in that presentation, “[p]erformance measurement based on outcomes creates incentives to avoid sick patients.”²

¹ See Letters from the Attorney General to Aetna, CIGNA Healthcare, and UnitedHealthcare, available at http://www.oag.state.ny.us/press/2007/aug/aug16a_07.html.

² See, e.g., Kolker, “Heartless: To Manipulate Their Crucial Personal-Fatality Ratings, New York Heart Surgeons Are Turning Away Needy Patients,” New York Magazine (Oct. 24, 2005).

In view of our industry-wide investigation and the concerns we have expressed, the Attorney General requests that you confer with this Office and submit any proposed physician-ranking program for our review prior to instituting any such program, so that we can ensure that consumers are not deceived or misled even inadvertently. Please confirm in writing that you will comply with this request. Please also provide us with copies of any documents that you may possess explaining the design of any plan you are now considering.

Please do not hesitate to call me if you have any questions. Thank you.

Very truly yours,



Linda A. Lacewell

Counsel for Economic and Social Justice