



AMERICAN SOCIETY OF
PLASTIC SURGEONS®



THE PLASTIC SURGERY
FOUNDATION®

Executive Office

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The Honorable Andrea Stewart-Cousins
Temporary President and Majority Leader
New York State Senate
Legislative Office Building, Room 907
Albany, NY 12247

The Honorable John J. Flanagan
Minority Leader
New York State Senate
State Capitol Building, Room 315
Albany, NY 12247

RE: S.5875

Dear Temporary President Stewart-Cousins and Minority Leader Flanagan:

I am writing on behalf of the American Society of Plastic Surgeons (ASPS) in support of S.5875, which would permit healthcare providers to contract with practice management companies who utilize percentage-based compensation agreements. ASPS is the largest association of plastic surgeons in the world, representing more than 93 percent of all board-certified plastic surgeons in the United States – including 586 board-certified plastic surgeons in New York. Our mission is to advance quality care for plastic surgery patients and promote public policy that protects patient safety.

New York physicians are currently faced with two unpalatable options – contract with a practice management company that employs a compensation model that could expose the physician to charges of professional misconduct; or only consider business arrangements with the much smaller group of companies who meet New York’s uniquely broad interpretation of what constitutes “fee splitting.” This legislation would eliminate the prohibition of fee based compensation models for practice management services and allow New York physicians to consider all potential companies without fearing sanctions.

The cost and complexity of managing a medical practice have grown substantially in recent years, as operating margins have decreased and a host of private and public payer programs have created new, burdensome data reporting mandates. Meeting these administrative challenges often means that a practice’s clinicians must divert time away from patients. Our members have become increasingly reliant on management support services to provide cost-effective solutions to the administrative challenges of running a practice, allowing providers to spend more time on patient care. Passing S.5875 will allow New Yorkers to take advantage of the same opportunities that their colleagues enjoy in most states. Crucially, it will do this while retaining necessary, common-sense prohibitions on inappropriate financial relationships that include true, kickback-style fee splitting, overbilling, and overutilization.

We appreciate the opportunity to provide comments on S.5875 and respectfully request that you pass this bill. Please do not hesitate to contact Patrick Hermes, Director of Advocacy and

Government Relations, at pbermes@plasticsurgery.org or (847) 228-3331 with any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Alan Matarasso, MD". The signature is written in a cursive style with a large initial 'A'.

Alan Matarasso, MD, FACS
President, American Society of Plastic Surgeons
New York, New York