



## Hudson Headwaters, MVP reach agreement

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Members of MVP Health Plan who see doctors at Hudson Headwaters Health Network clinics can breathe a sigh of relief.

MVP and Hudson Headwaters on Tuesday jointly announced they had reached an agreement in principle on a new contract.

MVP was one of two health insurance plans Hudson Headwaters had threatened to stop accepting unless the health plans increased payments.

The fate of the other plan, Blue Shield of Northeastern New York, was still up in the air on Tuesday.

Blue Shield officials plan to present a proposed contract offer to Hudson Headwaters officials on Friday, said Karen Merkel-Liberatore, a Blue Shield spokeswoman.

Details of the agreement with MVP were still being worked out on Tuesday, said Dr. John Ruge, chief executive officer of Hudson Headwaters.

"They have given us a letter telling us they are committed to meeting our costs as we have defined them," Ruge said.

Hudson Headwaters had insisted the region's four major insurance carriers bring their payments up to levels federal Medicare and state Medicaid programs pay.

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.

MVP took these factors into consideration in its new agreement with Hudson Headwaters, said David Oliker, the insurance company's president and chief executive officer.

"MVP recognizes the unique nature of the Hudson Headwaters Health Network, which serves a large rural area," Oliker said in a press release.

Hudson Headwaters, which treats about 60,000 patients, operates 12 health centers in Warren, Saratoga, Essex and Hamilton counties.

In some communities, Hudson Headwaters is the only health center in the area.

Somewhere between 4,000 and 5,000 MVP members are Hudson Headwaters patients, and Blue Shield covers about the same number of patients, Ruge said.

MVP joins two other insurance companies -- Capital District Health Plan and Empire Blue Cross -- which already had agreed to increase payments.

Payments from all insurance companies in 2005 ran 25 percent to 30 percent below what federal Medicare and Medicaid programs pay, Ruge has said. The insurance companies raised their payments somewhat last year, and so far, three of the four have now agreed to match what federal Medicare and Medicaid programs pay.

"Private insurance companies like CDPHP, Empire Blue Cross and MVP Health Care have demonstrated that they want to be part of the solution and that they will be playing a positive role," Ruge said.