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Today's News Tuesday, July 21, 2009

What Report?

The silent release late on a summer Friday afternoon of a much-anticipated report on health coverage options may indicate the Paterson administration's waning support for the findings. The Urban Institute report analyzes four proposals that could achieve universal health coverage in New York state, where almost 16% of residents are uninsured. But the report was commissioned under the Spitzer administration, and key health team members involved—Eric Dinallo, Joe Baker and Dennis Whalen—are leaving or have left. Still, administration officials acknowledge that the new report offers invaluable insights on how reforms might play out in large states such as New York. While the report fails to make recommendations, advocates for the uninsured are pleased. "There are clearly important lessons New York has for the national conversation, and it is good this is out in time to be part of that debate," notes Elisabeth Benjamin, vice president of health initiatives at the Community Service Society of New York.

League, 1199 Agreement

After restarting contract talks on Friday, the League of Voluntary Hospitals and Homes of New York and 1199 SEIU reached a tentative agreement to modify their current contract. It must be ratified by the full union membership and the league's board of directors. The final 43-month agreement, which will end on April 30, 2015, stabilizes the Pension and Benefit Funds and leaves the workers' benefit package intact, which 1199 SEIU said was its priority. Among the contract provisions, a 3% wage hike scheduled for Dec. 1 will be redirected to the Pension and Benefit Funds, as will 1% of a 3% wage increase set for Dec. 1, 2010. The remaining 2% will be paid on March 1, 2011. As for benefits, employer contribution rates will incrementally increase to a maximum of 15.8% over the life of the contract. Two 3% cost-of-living adjustments for retirees are eliminated.

United Gets Health Net

UnitedHealth emerged as the buyer of Health Net of the Northeast. Health Net and EmblemHealth broke off negotiations earlier this month. United will get the insurance and HMO entities in Connecticut, New York and New Jersey. It will pay Health Net \$60 million for its Medicare and Medicaid businesses and the renewal rights for commercial membership. It will pay an additional amount on a per-member basis when commercial customers transition to United, totaling as much as \$120 million. After the deal closes, United will pay about \$290 million to Health Net. It will pay another estimated \$160 million over the next two years.

New York's options for covering the uninsured

New York state released a key report from the Urban Institute that evaluates the cost and coverage implications of four health reform proposals. They include a single-payer option; the New York Health Plus program proposed by Assembly Health Committee Chairman Richard Gottfried, which would provide an option for all New Yorkers to enroll in Family Health Plus; a public-private partnership option that would simplify and expand existing public programs and reform private options; and a free-market option, the Freedom Plan, which would rely on regulatory flexibility and tax credits.

The last plan would leave 13.3% of New Yorkers uninsured, a small reduction from the current level of 15.8%.

Government spending would increase under all four plans: by 202% under the single-payer proposal (total: \$86.3 billion); by 119% under New York Health Plus (total: \$62.5 billion); by 25.3% under the public-private partnership model (total: \$35.8 billion); and by 9.6% under the Freedom Plan (total: \$31.3 billion).

A single-payer system would achieve complete coverage with the lowest aggregate change in health care spending, \$2.4 billion, and the greatest cost to government per newly insured, \$21,287 annually. The net government cost per newly insured would be \$2,663 for the public-private partnership, \$12,508 under New York Health Plus, and \$6,605 under the Freedom Plan.

"The report shows how important publicly sponsored health coverage is for health care reform," Mr. Gottfried said in a statement.

Both the full report and a summary are available online at <http://partnership4coverage.ny.gov/>.

At A Glance

WHO'S NEWS: Maryjane Wurth, chief operating officer of HANYS and chief executive of HANYS Solutions, is leaving to become president and CEO of the Illinois Hospital Association in October.

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