

New York

**State Must Act Soon to Enact Law
For Exchange Development, Forum Told**

NEW YORK—Little time remains for the New York State Legislature to enact a law establishing the governance and structure for a health insurance exchange if it is to qualify for the most secure federal funding, speakers told a May 18 state forum. The forum, held by the state Insurance Department with representatives of the governor's office and the state Health Department, was one of five scheduled around the state, including a call-in forum on May 23. The forums are intended to gather ideas on the design of a state health insurance exchange under the Affordable Care Act, which is set to begin offering a market for small-business and individual insurance policies in 2014.

New York “must act urgently to avoid falling behind other states” in establishing an exchange framework, said Elisabeth Benjamin, vice president of the Community Service Society, a co-founder of the Health Care for All New York coalition. New York long has been a leader in state initiatives but now lags behind California, Colorado, Hawaii, Maryland, Washington, West Virginia, and Vermont in passing exchange legislation, Benjamin said. Bills are pending in 18 other states, she said. Benjamin was among several speakers urging state lawmakers to enact basic legislation in the current session, which ends June 20, and then fill in controversial details later. Failure to act would jeopardize federal funding under the HHS five-year Level II Exchange Establishment Grant program and leave the state with the less secure option of a one-year Level I grant, she said.

House Budget Cited

Pointing to a House-passed federal budget that would cut the grants, Benjamin called forgoing a Level II grant “a risky move” and urged the state not to “gamble with the uncertainties of the federal budget process.”

Several complex policy, insurance, and financial issues must be resolved before the exchange becomes operational, Benjamin said.

Similarly, Tamir Mammo, a health policy adviser in the office of New York Mayor Michael R. Bloomberg (I), called for quick enactment of “basic legislation” establishing an exchange “before New York loses out on early rounds of federal money and before time runs out to build the kind of exchange that New Yorkers deserve.”

Kathleen Shure, senior vice president of the Greater New York Hospital Association, also warned that federal approval for any New York exchange must be obtained by January 2013, only 19 months away.

With widespread agreement apparent within the state on New York's having its own exchange, as opposed to a federally administered one, important initial decisions must be made on whether to have a single statewide exchange versus multiple regional exchanges, and how its governance should be set up, Shure said.

City Seeks Role

Nearly all the speakers at the forum urged the statewide approach, although Mammo of the New York mayor's office, while acknowledging that “a statewide exchange is probably necessary to ensure economies of scale and efficiency,” cautioned that “the framework of any exchange must allow for regional variation in implementation and regional representation in exchange decisionmaking.”

He noted that the city has nearly half the state's population and more than 1 million people without health insurance.

While Shure of the hospital group urged that the exchange serve as an insurance clearinghouse, patient advocacy groups argued that the state should be an active purchaser.

“We want you to use the combined market power of all the eligible individuals and families in New York to get the best possible value and price for the health insurance we need to purchase,” said Lois Uttley, a co-founder of the advocacy group Raising Women's Voices and chair of the 57-member New York Alliance for Women's Health.

Saying that a statewide exchange with a single risk pool would provide the “best possible buying power,” Uttley urged that the exchange “actively negotiate with insurers” for affordable rates.

“We do not want bare-bones, high-deductible plans that make it unaffordable to actually use our insurance coverage,” she said.

A merger of individual and small-business insurance markets would address the deterioration of the state's individual market, which “has been in an accelerating state of collapse for the last half decade,” said Mark Scherzer, legislative counsel of New Yorkers for Accessible Health Care.

“We believe that the only way consumers are likely to have a meaningful option to

purchase the most comprehensive policies, the ones needed most by those with serious and chronic illness, will be if they are purchasing those products along with small groups,” he said.

Small Business Opposition

But Carl Hum, president of the Brooklyn Chamber of Commerce, argued against a merger. “Because our membership has consistently cited the increasing cost of health insurance premiums as their primary obstacle to growth, we are opposed to combining the individual and small group markets, as this will increase premiums for small businesses,” he said.

He further urged increasing the maximum for small groups from 50 to 100 employees, if that would dramatically reduce premiums for businesses with two to 50 employees. Hum also defended long-standing relationships between small businesses and their health insurance brokers, but other speakers called for the state to provide “navigators” who would provide direct enrollment assistance. Neil Weingarten, an insurance broker who is a trustee of the state body of the National Association of Insurance and Financial Advisors, said that such an approach could interfere with the role played by “qualified insurance professionals.”

The merger question was among several that Shure of the hospital group maintained should be resolved later, after more research and federal guidance.

Policy Challenges Ahead

Other testimony indicated some of the policy challenges ahead for the state, as representatives of advocacy groups called for steps to recognize the needs of women, immigrants, and people over 50 without insurance who are not yet eligible for Medicare, among others.

Several speakers—including representatives of Planned Parenthood of New York City, NARAL Pro-Choice New York, and the city chapter of the National Organization for Women—called for the exchange to offer a benefits package that would include abortion services, contraceptives, and other forms of reproductive health care.

Planned Parenthood also sought steps that would help preserve its role as a provider of both health care and enrollment assistance to complement the work of the exchange. Jennifer Torres, manager of health advocacy for the New York Immigration Coalition, called for steps to take into account the needs of the more than 4.2 million immigrants in New York. The state, she said, “must ensure that the new exchange is accessible to all New Yorkers, regardless of immigration status or language spoken.”

Assistance with serving the immigrant population was one example offered by Mammo of the New York mayor's office of the regional input and resources the city would like to contribute. The city's 311 phone system already provides information on public services in more than 170 languages, he said.

By [John Herzfeld](#)

More information on the state's health insurance exchange plans is accessible at <http://www.HealthCareReform.ny.gov>.

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