

# Policy Brief

Building Quality Affordable Health Care for ALL New Yorkers



Health Care For All New York

No. 52 January 2013

## Extending New York's Child Health Plus (CHP) Program to Adults

In 2014, roughly one million New Yorkers will gain health coverage through the state's Health Benefit Exchange, the expansion of Medicaid, or, possibly, the Basic Health Plan. Yet, up to 1.8 million New Yorkers could remain uninsured. This includes low-wage workers who cannot afford to buy subsidized coverage on the Exchange and undocumented immigrants who are not allowed to participate in it. Investing in coverage for these two groups is fiscally responsible and in line with New York's tradition of expanded health coverage.

All children, regardless of income and immigration status, are eligible for Child Health Plus (CHP), New York's Children's Health Insurance Program. As a result, New York has one of the lowest rates of uninsured children in the country.

Health Care For All New York (HCFANY) recommends that New York establish a CHP program for adults who cannot get coverage under the Affordable Care Act (ACA). Unlike Medicaid, enrollees in CHP for Adults would pay monthly premiums according to their income. This will allow working adults to contribute to the system and

access coverage at a lower cost to the State than Medicaid.

### What are the current options for uninsured New Yorkers?

Hospitals and community health centers are often the only source of care available to low-income, uninsured New Yorkers. To pay for this, New Yorkers have two options:

- *Hospital Financial Assistance (or "charity care")* provides funds to offset patients' bills based on their income.
- *Emergency Medicaid* is available to undocumented immigrants who need emergency care only (not preventive care) and who would otherwise qualify for Medicaid if not for their immigration status.

However, patients face significant barriers to accessing either of these two programs. In addition, legislated funding cuts for these programs will weaken the safety net for the make it harder for the uninsured to get quality, affordable health care.

### What are the benefits of covering more people?

Lack of health insurance creates barriers to care and leads to worse health outcomes. One in three uninsured New Yorkers report



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postponing necessary care due to cost; one in four reports not being able to afford the prescription drugs they need.

Children of immigrants are twice as likely as children of U.S. born parents to forgo basic preventive care and to be uninsured. Adult immigrants get fewer basic immunizations and tests for chronic diseases than citizens.

CHP for Adults would ensure access to preventive care and improve access to health care.



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## What are the savings?

The average cost to the State per Medicaid enrollee will be about \$5,440 annually in 2016. In contrast, a typical visit to the emergency room can generate more than \$10,000 in uncompensated care costs. Further, the federal government is cutting the funding source for hospital financial assistance in half, which could leave the State with millions of dollars in uncompensated care costs for those who rely on emergency rooms for care. The access to preventive care that CHP for Adults would provide would lower the amount of costly emergency room visits by uninsured New Yorkers and lower health care spending.

If New York implements a Basic Health Plan (BHP), it will potentially generate approximately \$511 million in State savings. Additionally, the State will receive more federal funding for Medicaid program under the ACA. Spending for a state-funded CHP for Adults program could be offset by these new sources of federal financing.

## Recommendations

- **New York should establish CHP for Adults for individuals who cannot get coverage under the ACA.**
- **The State should enable consumers to pre-qualify and enroll into Emergency Medicaid and Hospital Financial Assistance through the state's forthcoming Health Benefit Exchange.**