HCFANY 2010 Legislative Agenda

Guarantee Affordable Health Care for All New Yorkers

✓Monitor the federal health reform process and ramifications for NYS.

Although we cannot predict the details at this time, this is a priority for HCFANY.

✓Improve transparency in the Bad Debt and Charity Care pool.

Each year, New York's hospitals receive $847 million in Bad Debt and Charity Care (BDCC) funds to cover the cost of providing health care for uninsured and underinsured New Yorkers. But, due to complicated and opaque accounting procedures, it has been impossible to link BDCC funds with actual care received.

The 2008-2009 NYS Budget partially reformed this system by requiring 10% of BDCC hospital payments to be directly linked to actual services provided to uninsured patients. Further, last year's budget re-distributed $282 million in Graduate Medical Education funds to the BDCC pool to be allocated through the new reimbursement process.

The State should take further steps to make BDCC funds 100% accountable.

Insurance Reform

✓Restore "prior approval" to the State Department of Insurance.

Restore the authority of the State Department of Insurance to pre-approve rate increases for small group and individual health insurance premiums and to hold rate hearings when rates are proposed to increase more than 5%.

Currently, the Department may only look at rate increases a year after they take effect so that the only consequence for excessive rate charges is repayment in later years.

✓Adopt insurance medical loss ratios of at least 90% for small group and individual markets.

Require insurers to devote at least 90% of premiums to health care, *not* big salaries, administration, or advertising.

The law should specify the Department's authority to define what can be claimed as medical costs. The law should dictate how, and when, pooling of policy forms should occur.

✓Merge the direct pay and small group markets.

This measure would reduce premiums for individuals by more than 35%, and raise the small group premiums by as little as 3%. More funding for a joint stop-loss pool should be allocated to avoid price increases for small businesses.

✓Evenly split the Healthy NY stop-loss pool with the direct-pay pool.

Restore viability of the direct pay market for people who do not have group coverage. The direct pay market's stop-loss pool has been frozen for years at roughly $40 million. Meanwhile, Healthy NY has enjoyed full funding (roughly $170 million) for its stop-loss pool, though it rarely uses it all. Stop-loss funding for the direct pay market and Healthy NY should be shared equally and any unspent funds in one should be used for the other.

✓Finish reforming the Managed Care Bill of Rights.

New York's Managed Care Consumer Bill of Rights contains strong consumer protections that were further enhanced during last year's legislative session. However, several issues remain to be corrected, such as the network adequacy for EPO products/ access to specialists when EPO networks are inadequate, and external appeal for denials of access to specialty care.

Improve our health insurance safety net

✓Establish biennial renewal (with passive renewal in the odd year)

A two-year continuous enrollment and coverage period would reduce disruptions in health care for public insurance enrollees and roughly halve the costs and administrative burden of re-enrolling those who have been involuntarily disenrolled.

People who have proven their eligibility for public insurance should remain eligible for two years to save precious resources at the State and local level for newly displaced workers.

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HCFANY 2010 Legislative Agenda (Continued)

✓Eliminate resource test for SSI-related people who apply for community Medicaid.

New York recently removed the resource test for most public insurance applicants. SSI-related Medicaid beneficiaries continue to be subject to the resource test on the grounds that these individuals are more expensive for the State to cover. Yet the resource test is administratively cumbersome and rarely disqualifies people for coverage. New York should eliminate the resource test for SSI-related applicants and beneficiaries who live in the community.

✓Permit immigrants to pre-qualify for ER Medicaid.

Emergency Medicaid is available to all low-income New Yorkers, regardless of immigration status. To get coverage, an attending physician must certify that the person has a medical condition that meets the definition of an "emergency." If so, the person fills out a full Medicaid application, which, depending on their eligibility, may or may not be approved.

New York should let undocumented immigrants to pre-qualify for Emergency Medicaid and get a limited coverage card in advance. This would raise awareness of Emergency Medicaid and give providers assurance of payment for services provided. Many states already do this: California, Michigan, Oregon, Massachusetts, South Carolina, Texas, Maine, Nevada, Arizona, Virginia, Maryland, Louisiana, Delaware and New Hampshire

✓Support State's request for FHP to 200% of FPL

HCFANY urges approval of New York's waiver application for the expansion of Family Health Plus up to 200% of net FPL (roughly 230% gross) for singles, childless couples, and parents. Currently, only pregnant women are eligible for coverage at this 200% of FPL.

This would permit New York to align all adults with the statewide Prenatal Care Assistance Program (PCAP) level and have two income eligibility rates: one for adults and one for children.

✓Use Tax Information to Target Public Program Outreach.

It is estimated that more that one million uninsured New Yorkers are eligible for public health insurance programs, but not enrolled. To ease enrollment for vulnerable New Yorkers, data from tax forms should be used to identify and reach low-income people who are eligible for but not enrolled in public programs (with their consent). Iowa, New Jersey, and Maryland already have programs in place to do this for uninsured children who may be eligible for Medicaid or CHIP.

✓Improve the FHP Buy-in program.

Many small businesses and employers in New York wish to provide their employees with health insurance but cannot afford to do so. The recent expansion of the Family Health Plus Buy-in Program to all employers was thought to be an answer to this problem. However, initial premium rates are too high and need to be lowered without compromising quality.

We support doing the following, which cumulatively would result in a 55% premium reduction: (1) adjust the plan design for enrollees above 150% FPL, (2) adopt public insurance reimbursement rates; (3) reduce non-essential taxes and surcharges; (4) adopt the Medicaid default reimbursement rate for out-of-network hospitalizations; (5) a modified anti-crowd out policy; or (6) access the Healthy New York small group stop-loss pool funding.

HCFANY does not advocate adjusting the plan design as a standalone measure. Research has shown that even modest co-pays can prevent people from seeking care. It is due to this that both federal health reform bills eliminate co-pays for preventive care. Savings incurred by increasing co-pays alone would not be enough to cancel out the deterrent effect of higher co-pays on care received.

✓Let individuals participate in the FHP Buy-in Program.

The State recently expanded the FHP Buy-in program to all employers in the state. This program has the potential to offer quality coverage at a reasonable price to millions of New Yorkers who do not currently qualify for public programs. However, the buy-in program is limited to people who have an employer willing to sign up. This leaves many working people with no option for affordable coverage. The State should let individuals who wish to purchase coverage on their own to participate in the FHP Buy-in Program.

Be part of the solution!
Join the Health Care for All New York Campaign by going to:
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This fact sheet was prepared for Health Care For All New York by The Community Service Society of New York (CSS) www.cssny.org