

Policy Brief

Building Quality, Affordable Health Care for ALL New Yorkers



Health Care For All New York

No. 59 January 2013

Coverage that works for all New Yorkers

Sometimes simply *having* coverage is not enough.

HCFANY works to ensure that everyone has access to **high quality, comprehensive** coverage. Today, too many insured New Yorkers find that when they really need services, their coverage falls short. The legislature should improve coverage by:

- Protecting New Yorkers from surprise billings;
- Merging the small group and individual insurance markets;
- Expanding External Review;
- Establishing a publicly searchable database of External Review cases;
- Prohibiting insurance plans from excluding services needed by transgender people; and
- Establishing a remediation program for consumers.



Everyone deserves access to high quality coverage that serves their unique needs.

Protect New Yorkers from “surprise” billings

New York should ensure that consumers are protected from out-of-network charges that are outside of their control.

This unfair practice contributes to high medical debt that can be devastating for individuals and families.

HCFANY supports legislation that:

- Protects consumers from “surprise” bills, by requiring providers to negotiate their fees directly with insurance companies. This leaves individuals responsible only for their in-network co-payment.
- Improves network adequacy for all plans.
- Strengthens transparency requirements for insurers.

Merge the small group and individual insurance markets

New York currently separates its individual and small group insurance markets. This hurts individual consumers and sole proprietors, who face higher premiums and fewer benefits than

those in the small group market due to a smaller risk pool and less competition. Additionally, consumers aren't able to keep the same insurance plan when they lose their jobs or start their own businesses. Merging the markets could provide the following benefits:

- Increasing choice and affordability for individuals, at a modest cost to small businesses;
- Providing continuity of care during transitions between workplace and individual coverage; and
- Ensuring out-of-network coverage—already common for small businesses—for individuals.

Massachusetts offers an example of a successful merger.

Expand External Review

External review is a third-party review of a consumer's appeal of their insurance plan's adverse decision. Under the ACA, all health care plans must now offer External Review.

(Continued on reverse →)



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But, self-insured plans are not subject to the same rules and criteria as insured plans. And, certain significant health care issues are still not covered under External Review.

New York should expand the types of health care questions and issues subject to review. The following issues should be covered under New York's External Review system:

- Disputes over access to specialists, whether in- or out-of-network
- Amounts reimbursed for out-of-network services

This will give more consumers access to this essential protection.



External Review protects consumers by ensuring that if they are denied care, they can have their case reviewed by an expert who is unaffiliated with their insurance plan.

Additionally, New York should open its External Review system to all plans, including self-insured plans. This will create a more consistent system of appeals across the insurance landscape.

Establish a publicly-available, searchable, online database of all External Review cases

Currently, there is no public database of External Review cases. This means that it is difficult for consumers and those who assist them to find information about similar cases, which might help to expedite appeals and ensure that cases are decided consistently. New York should ensure transparency in the external review system by establishing a searchable database for the public's use.

Prohibit insurance plans from excluding services needed by transgender people

Some insurance plans exclude services for transgender patients that are covered for non-transgender individuals, such as hormone replacement therapy and breast reduction surgery. The ACA prohibits discrimination on the basis of gender identity, but it is mostly up to states to enforce these protections. New York should join states like California and Oregon in issuing guidance

clarifying that state law prohibits discrimination against transgender people.

Establish a remediation program for consumers

The health insurance world is complex and can be difficult to navigate without assistance. Consumers with unique circumstances or limited understanding of the insurance system may be unable to access the information they need to find the right health care plan. In addition to supporting consumer assistance programs, HCFANY urges the State to authorize the Department of Financial Services to set up a remediation program for consumers. This would allow such individuals to switch to the proper coverage retroactively.