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# HCFANY Evaluation of CSS Proposal For Health Reform

## *Community Service Society—"Cornerstone for Coverage"*

In December 2007, the Community Service Society of New York (CSS) released its *Cornerstone for Coverage* health reform proposal for New York State. *Cornerstone* proposes to make comprehensive health coverage nearly universally available by building off of New York's existing public programs.

## The Proposal

Specifically, *Cornerstone* aims to:

- Expand the existing Family Health Plus (FHP) program to all New York residents ages 19-64 and expand the Child Health Plus (CHP) program to all children under the age of 19.
- Offer a sliding scale premium structure to families with incomes up to 600% FPL. For families with incomes up to 400% FPL, premiums would be limited to no more than 5% of income. Between 400% - 600% FPL, premiums would gradually rise to about 7% of the family's income. Families with incomes above 600% FPL could buy into the program at the full premium cost. There would be no deductibles and only modest co-payments for health services, similar to those in the existing FHP program.
- Offer an employer-buy in option to the program.
- No individual mandate, unless it is deemed necessary at a later date to achieve health care for all.

## Collective Impact

The plan anticipates that approximately 1.3 million people will enroll; of which 863,000 individuals would remain uninsured despite the universal availability of coverage at affordable premiums.

It is estimated that 432, 000 enrollees will switch over from employer-sponsored coverage, the direct-pay market and HealthyNY. Cost estimates of the Cornerstone proposal is $2.7 billion in State funds by its fifth year, and an overall governmental cost of $4.44 billion.

Aside from federal financial participation, the remaining State portion of the financing for the scheme is still under development but the Cornerstone proposal does suggest that it could be financed using proceeds of nonprofit insurer conversions and by diverting current HCRA funds (without specifying what current programs would be sacrificed for this purpose).

**Total State and Federal Costs for "Cornerstone For Coverage" Health Reform Proposal**

| | **Total New Enrollees - Previously Uninsured** | **Total New Enrollees** | **Total Government Cost** (millions) | Government Costs Assuming ***Maximum*** Federal Share | | Government Costs Assuming ***Minimum*** Federal Share | |
|---|---|---|---|---|---|---|---|
| | | | | NY Cost | Federal Cost | NY Cost | Federal Cost |
| **Adults** | 883,632 | 1,340,359 | $4,670.16 | $2,882.49 | $1,797.67 | $4,670.16 | $0 |
| **Children** | 34,223 | 66,628 | $93.54 | $32.74 | $60.80 | $93.54 | $0 |
| **TOTAL** | **917,855** | **1,406,987** | **$4,763.70** | **$2,915.23** | **$1,848.46** | **$4,763.70** | **$0** |

# HCFANY's Evaluation of the CSS Proposal for Health Reform

## HCFANY's evaluation of the UnitedHealth proposal:

Health Care For All New York (HCFANY) has reviewed CSS's proposal in relation to our *10 Standards for Quality, Affordable, Health Care for All*. Cornerstone's strongest features are its guarantee of affordability and the near universal access it offers.

The greatest drawback of the Cornerstone proposal is that it does not immediately guarantee universal coverage and leaves for future decision how, if voluntary enrollment does not succeed as projected, universal coverage might be ultimately achieved.

## The following symbols are used to show how CSS's proposal measures against HCFANY's 10 standards.

☺ = **Meets standard**
😐 = **Partially meets standard**
☹ = **Does not meet standard**

## HCFANY's 10 Standards for Quality, Affordable, Health Care for All

😐 **Everyone must have health coverage and access to health care:** *Cornerstone* is not a health care for all proposal but moves towards it by guaranteeing health insurance access—not coverage—regardless of immigration status. Access, while broader than in most plans, is not fully universal. Adults 65+ not eligible for Medicare are not covered by the *Cornerstone* proposal.

☺ **Health coverage must be affordable to the family budget:** Cornerstone uses a rigorous methodology to ensure affordable premiums and co-pays for families under 600% FPL, generally less than 7% of income and considerably less as one goes down the income scale. However, it does not address how to keep premiums affordable for higher-income people buying unsubsidized coverage should program costs rise dramatically in the future.

☺ **Health coverage must include comprehensive benefits to meet people's needs:** By adopting the FHP and CHP benefit packages, *Cornerstone* meets the comprehensiveness standard. The principal gap in these benefits is the absence of long-term care.

☹ **Government should be an active watchdog and regulator of health care system:** *Cornerstone* does not directly address this standard.

😐 **Health coverage must promote equity in health care utilization and outcomes:** *Cornerstone* does not directly address this standard, but its inclusion of all immigrants in the proposal will have the likely effect of reducing ethnic disparities.

☹ **Existing and new public health insurance programs must be administratively simple to ensure enrollment:** *Cornerstone* does not address this standard.

☹ **Everyone should have the choice of a public health plan:** *Cornerstone* is based on an expansion of publicly-sponsored coverage operated through private managed care entities, thus does not meet the definition of a public plan under the standards.

☹ **Health care reform should include effective cost controls that promote equality:** *Cornerstone* does not address this standard.

☹ **Employers' health coverage costs should be predictable and proportional to their total labor costs:** *Cornerstone* does not directly address this standard. Employers who buy into the program will have predictable costs not necessarily proportional to payroll.

😐 **The safety-net health care delivery system must be preserved and enhanced:** *Cornerstone* does not directly address this standard, but may divert safety-net funds from the HCRA system to the coverage initiative.

## Be part of the solution!

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**www.hcfany.org**

This fact sheet was prepared for the Health Care For All New York Campaign by The Community Service Society of New York (CSS) www.cssny.org