



American Cancer Society & Children's Defense Fund/New York & Center for Working Families
Community Service Society of New York & Metro New York Health Care for All Campaign
New Yorkers for Accessible Health Coverage & New York Immigration Coalition
Public Policy and Education Fund of New York/Citizen Action of New York

Health Care for All New York
Memorandum in Support of Young Adult Coverage Bill
A. 9036/S.6030 (Young Adult Bill)—Support

Health Care For All New York (HCFANY) is a statewide coalition of 80 organizations dedicated to winning affordable, comprehensive, and high quality health care for all New Yorkers. HCFANY strongly supports and promotes legislation that will protect and improve the rights of health insurance consumers in New York.

Program Bill 9036/S.6030: Young Adult Coverage

HCFANY supports A.9036/S.6030, the young adult bill, which seeks to provide a COBRA-like insurance option to young adults in New York. Young adults between the ages of 19 and 29 are twice as likely to be uninsured as other adults. Around 808,000 young adults are uninsured in New York, making up nearly one-third (31%) of all State's uninsured.¹ Most young adults do not get job-based coverage and are left without affordable or comprehensive health coverage.

This bill would require commercial, not-for-profit corporations, and health maintenance organizations (HMOs) that offer group health insurance contracts to give young adults the option of staying on their parents' ESI until the age of 29, whether or not they are enrolled in college. This insurance would resemble a COBR-like benefit in that a family, not the employer, would be responsible for the full premium. This insurance option would only be available to young adults provided they do not have group insurance coverage through another insurance policy, are not married, and are not eligible for Medicare.

HCFANY supports this bill because a fundamental provision of the bill is to offer this coverage, without compromising New York's pure community rating system. Community rating bars insurers from discrimination against enrollees based on various factors, such as age, gender, disabilities, and so forth. New York law forbids such practices. Under the bill, young

¹ Young adults are more likely to be uninsured because: (1) they are more likely to work low-income entry-level jobs that do not have benefits (nationally, only 53% of young adults are eligible for health benefits, compared to 74% of adults, ages 30-64); and (2) family coverage under employer-sponsored insurance (ESI) typically only covers dependent children until the age of 19, or 23 if they're enrolled in college.



people will still be able to get the advantage of "bulk" purchasing through the simple COBRA-like group rate, but they will not be able to get **preferential pricing** (which was originally proposed in earlier bills), a detrimental step that HCFANY believes would erode hurt our state's pure community rating system.

Under this bill, a young adult will be able to purchase COBRA-like insurance at his or her parent's bulk purchase price. The young adult will get a \$500 discount (from the \$900 he or she would pay in the individual market, to \$400 by being able to simply buy into his or her parent's employer group through the COBRA-like product. This constitutes a huge savings for middle- and upper-income families.

For moderate and low-income families, below 200% of the federal poverty line, young adults should be covered under the Family Health Plus expansion, which was passed in April's budget deal. The state's request for federal permission for this expansion is pending. Nearly half of the uninsured young adult population in NYS is below 200% of FPL. So the lowest income young adults will have be able to access Family Health Plus and higher income young adults would have the non-age rated cobra-like product, proposed under A.9036/S.6030,

For these reasons, HCFANY supports the young adult coverage bill, A.9036/S.6030. Should you like additional information about HCFANY, please visit our website at: www.hcfany.org or contact Elisabeth R. Benjamin, Vice President of Health Initiatives at the Community Service Society at: 212-614-5461.