



FACT vs. FICTION: NYS Health Insurance Exchange

Federal Health Reform

FACT

- **1 million more New Yorkers will newly gain health insurance**

2.8 million New Yorkers do not have insurance because they cannot afford it. As a result, they are forced to go without vital health care services. A New York Exchange will lower costs for New York's consumers and small businesses and allow roughly 1 million more New Yorkers to afford to get health insurance.

- **In an Exchange, individuals who currently buy insurance on their own will see their costs drop by 66%**

Only 56% of New Yorkers are able to get health insurance through their jobs. For too many, the only option is to buy insurance on their own through the individual market. But to do so, a single person must pay around \$12,000 a year; a family, \$28,000. This is just too expensive for most New Yorkers. Independent experts indicate that an Exchange will lower individual premiums by 66%.

- **In an Exchange, small businesses will see their costs drop by up to 22%.**

An Exchange will allow small businesses to buy good insurance at a lower cost. For small business owners and their employees, this will mean a savings of up to 22% on what they pay for their health insurance.

- **Insurance plans will be easier to compare and enroll into.**

An Exchange will simplify and standardize insurance information in order to bring greater accountability and transparency to health plans, and to give consumers and small businesses real help in comparing products and choosing the one that is right for them. It will also make it easier to navigate insurance paperwork and changes related things like new jobs or changing family circumstances.

FICTION

- **Health reform will cost NY taxpayers more than \$65 billion for the Medicaid portion alone.**

This estimate comes from the conservative CATO Institute, and is NOT based on the cost of an insurance Exchange, but rather on the 10-year cost of enrolling all New Yorkers who are already eligible for Medicaid, but not yet enrolled. Even so, this estimate is inflated due to three major oversights:

- CATO omits that NY will receive extra funding for its early expansion of Medicaid to childless adults (90% federal funding for 800,000 New Yorkers), the reality is there will be enormous savings, not costs, for New York State.
- CATO claims there will be 2 million newly eligible Medicaid enrollees; the reality is more like 80,000.
- CATO assumes that the cost per enrollee for all newly covered enrollees will equal the current average; the reality is that the most needy high cost enrollees are already enrolled, new enrollees are likely to be more healthy and cheaper to cover.

- **There is no rush to pass Exchange legislation.**

New York's small businesses and families are being crushed by the cost of health insurance. More and more are forced to forego necessary health care services every day because they simply can't afford it. A health insurance Exchange will provide desperately needed relief for New York's small businesses and families.

New York must pass legislation this session to get certified "operational" by the federal government in January 2013. If NY fails to meet this deadline, the federal government will step in and create a "one-size-fits-all" insurance Exchange for us. This will take away the State's ability to build an Exchange that is right for New York.

Be part of the solution!

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