

New York State

Insurance

EXCHANGE

***Legislative Update***

August 12, 2011

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**Health Care For All New York**

# Outline of Presentation

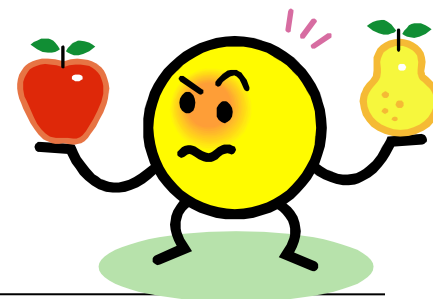
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- Quick refresher on the Exchanges under the Affordable Care Act
- Exchange activity in other states
- What's in New York's negotiated health insurance exchange bill?
- What's next in the Legislative process and what can YOU do to help?

# **Refresher on the Exchange under the Affordable Care Act**

# Exchanges facilitate enrollment into health insurance coverage

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- ACA mandates that states set up health insurance Exchanges in 2014, or default to a federal Exchange
- Exchanges are health insurance “marketplaces” which allow people and small businesses to:
  - Enroll in Medicaid or get government subsidies to buy commercial coverage
  - Compare plans on an “apples to apples” basis
  - Use a website or telephone hotline to help enroll into “qualified health plans”
- Only citizens and immigrants who are lawfully present can use the Exchange

# The Exchange will help 810,000-1.16 million New Yorkers enroll in health coverage

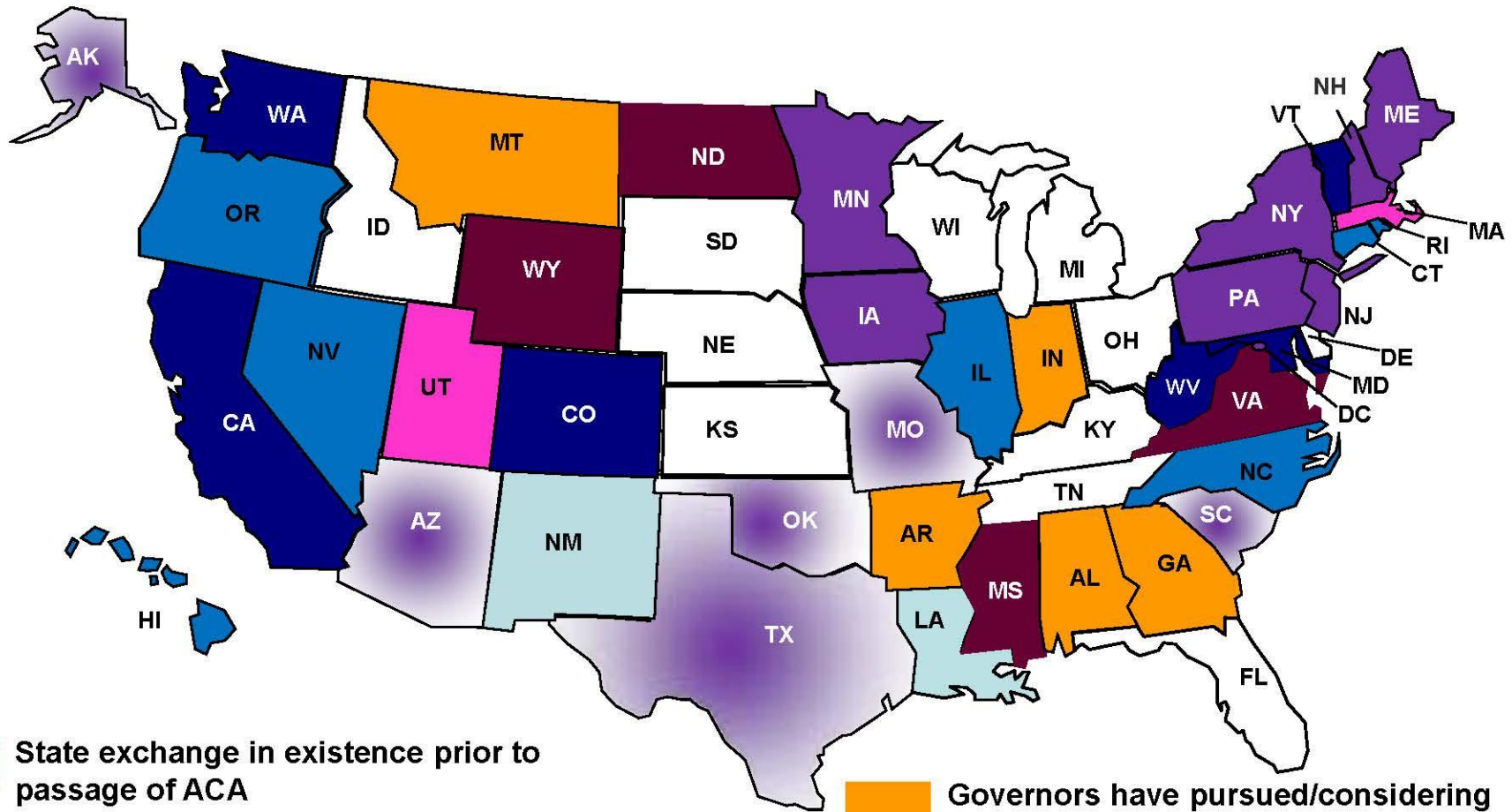
	Currently Uninsured	% of Total Uninsured	Newly Insured Post-Reform	Remaining Uninsured Post-Reform
Eligible for Medicaid but unenrolled	1,000,000	42%	110,000-440,000	660,000-1,000,000
Newly eligible for Medicaid (Childless adults 100-133% FPL)	90,000	3%	50,000-70,000	20,000-40,000
Access to Exchange & Eligible for Subsidies (0-400% FPL)	700,000	27%	570,000	130,000
Access to Exchange & Not Eligible for Subsidies (>400% FPL)	340,000	13%	80,000	260,000
Affordability Exemption Takers				200,000
Penalty Payers				60,000
Undocumented Immigrants	390,000	15%	0	390,000
<b>TOTAL</b>	<b>2,620,000</b>	<b>100%</b>	<b>810,000-1,160,000</b>	<b>1,460,000-1,820,000</b>

**Our Challenge!**

Source: NYS Health Foundation, "Implementing Federal Health Care Reform: A Roadmap for New York State," August 2010.

# Exchange Activity in Other States

# Status of State Legislation to Establish Exchanges, As of June 2011



- State exchange in existence prior to passage of ACA
- Legislation signed into law post passage of ACA
- Legislation passed one or both houses
- Legislation pending in one or both houses
- Pending legislation failed

- Governors have pursued/considering non-legislative options
- Legislation signed: intent to establish an exchange, creation of study panel, creates an appropriation
- Governor veto or decision not to establish exchange



Source: National Conference of State Legislatures, Federal Health Reform: State Legislative Tracking Database.  
<http://www.ncsl.org/default.aspx?TabId=22122>; Commonwealth Fund Analysis.

# **What's in New York's Negotiated Health Insurance Exchange Bill?**



# New York's Health insurance Exchange Bill: What's in it?

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- Sets up a Public Authority
  - 9 member board
    - 2 *ex officio* Directors: Commissioner of Health, Superintendent of the New York Department of Financial Services
    - 7 three-year term Directors with Expertise: 3 appointed by the Governor, 2 by the Assembly, 2 by the Senate
  - Modest conflict of interest provisions
    - Duty to serve in the “public interest” of Exchange users
    - State officers law, § § 73, 74



# What's in the Bill?

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## Exchange functions:

- ✓ Set up individual and small business exchange (program) to enroll qualified individuals into health and/or dental coverage starting 1/1/14
- ✓ Inform and enroll people into public coverage
- ✓ Adopt a standardized format for presenting health plan options
- ✓ Maintain a website & electronic calculator of costs and subsidies
- ✓ Administer insurance exemptions, subsidies, and data matches
- ✓ Run a grant program for Navigators
- ✓ Consult with regional advisory committees
- ✓ Consult with stakeholders (consumers, experienced enrollers, small business & self-employed, state Medicaid offices [including LDSS], advocates for hard to reach populations, providers, insurers)

# What's in the Bill?

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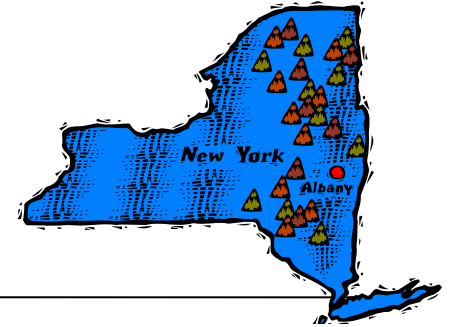


## Special functions of the Exchange: Must establish requirements that insurers must meet

- ✓ Licensed by DOI, received prior approval of rates
- ✓ Disclosure of certain benefits
- ✓ Appropriate cost-sharing and deductibles
- ✓ Meet minimum standards on marketing, network adequacy, essential community providers in underserved areas
- ✓ Public disclosure of: claims policies & number of denials, financial, rating practices, enrollments/disenrollments, out-of-network payment policies, and other info required by HHS.

# What's in the Bill?

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## Regional Advisory Committees

- ✓ 5 regions (NYC, Metro Sub; Northern; Central, Western)
- ✓ 5 Members on each regional committee (1 appointed by Senate; 1 by Assembly; 3 by the Governor)
- ✓ 3 year terms
- ✓ Members shall be representatives of (no more than 2/category):
  - Health Insurance Consumer Advocates
  - Small businesses
  - Health Care Providers
  - Insurance Industry; and
  - 1 of either a Broker or Labor
- ✓ Must issue an annual report about regional variations in operation of the Exchange

# What's in the Bill?

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## Studies (must be completed by 7/1/12):

- Essential Health Benefits (including: consistency inside/outside the exchange, state mandates)
- Insurer rules inside/outside the Exchange (including: whether all indiv/small groups must use the Exchange; risk selection; market disruption; market merger, reinsurance and risk adjustment mechanism, rating issues, size of small group)
- Basic Health Plan
- Active Purchaser, Selective Contractor, or Clearinghouse
- Expenses and Financing of the Exchange
- Benchmark Benefits
- HealthyNY, FHP Employer Buy-In
- Brokers
- Navigators
- Health Equity
- Health Savings Accounts
- Whether large groups should participate in the Exchange
- Integration of Public Insurance



# What's not in the Bill?

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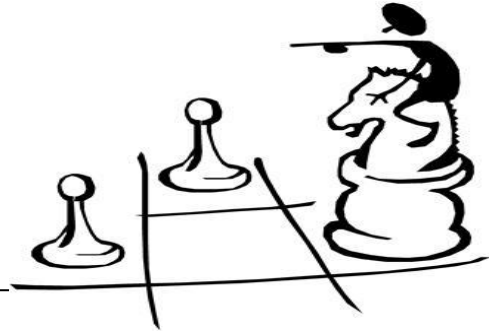
- Doesn't have the strongest anti-conflict of interest provisions (e.g., MD, CA, CT, WA)
- Does not explicitly authorize the Exchange to be an active purchaser, or the merger of the individual and small group markets
  - These are to be studied

*...But it's a good bill!*



# **What's Next in the Legislative Process?**

# The new game plan...



- What happened?
  - Governor, Assembly and Senate negotiated a bill at the end of session. Bill has passed the Assembly.
  - Died in the Senate, did not come to floor for a vote
- Now what?
  - Senate may come back in September
  - Organize, organize, organize!
- **We need Memorandums of Support!**
  - **Key Messages:**
    - New York is a health leader—We don't want a federal Exchange!
    - Don't pass up federal funding opportunity!
    - It's a lot of work in little time, need the bill passed now!



**Keep Updated on Affordable Care Act News.  
Check out HCFANY's website & blog at:  
[www.hcany.org](http://www.hcany.org)**

**Thanks!**

