



Will Federal Health Reform Work for New York's Families?

Affordable health coverage is critical to the success of a merged federal health reform bill that includes a requirement for all people to purchase insurance. Establishing more affordable subsidies, lowering out-of-pocket caps for individuals and families, and preserving the existing Child Health Plus program would ensure that New York's families benefit from federal health reform.

Table 1 - Potential health care costs for families under House and Senate bills compared to cost of child coverage under Child Health Plus.

Income		Total potential health care costs* (as a % of income)		
FPL	Income (family of 3)	House Bill	Senate Bill	CHP**
100%	\$18,310	7%	23%	0%
150%	\$27,465	7%	19%	0%
200%	\$36,620	11%	17%	0%
250%	\$45,775	17%	21%	0.004%
300%	\$54,930	25%	21%	0.006%
350%	\$64,085	25%	22%	0.008%
400%	\$73,240	26%	21%	0.009%
450%	\$82,395	<i>No Cap</i>	<i>No Cap</i>	2%

* Total potential costs include maximum annual premiums and out-of-pocket costs for subsidized families.

**Child Health Plus costs include annual premium costs for one child. Out-of-pocket costs are not included as they are negligible.

High Affordability Caps and the Family Budget

The box below shows a typical budget for a family of three at 250% of FPL in New York City. Under the current House and Senate bills, the affordability caps are too high to protect this family. As a result, they may be left with insufficient income for other household necessities such as child care (appx. \$9,500 per year), transportation, heat and electricity costs, telephone, loans, credit card payments, and other miscellaneous expenses.

Table 2 – What House and Senate Affordability Caps Can Mean for a Family of Three at 250% of FPL in NYC

Family of Three – Two Adults, One Child		
	Costs	Available Income
Gross Yearly Pay		\$45,800
Taxes	\$10,800	
Net Pay		\$35,000
Housing Costs	\$14,900	
Food	\$8,200	
Net remainder		\$11,900
Maximum health costs under House	\$7,700	\$4,200 (\$350/mo)
Maximum health costs under Senate	\$9,500	\$2,400 (\$200/mo)

Source: Taxes are based on NYC residency with federal withholding exemptions of three for a three person family. Rents are based on average NYC rents for income bracket, for people who have moved in 2005 or later as set forth in the 2008 Housing and Vacancy Survey. Food costs are taken from the 2004 NYC Self-Sufficiency Standard, adjusted to 2008 dollars using the Consumer Price Index. Numbers are rounded.