

# Family Health Plus Buy-in Program

## What is the FHP Buy-in Program?

In April, 2008, New York launched the Employer Partnerships for Family Health Plus, or the Family Health Plus Buy-in program (FHP Buy-In).

This program allows employers and Taft-Hartley (union) funds to offer health coverage to employees through an expansion of the state's Family Health Plus (FHP) program. Comprehensive coverage is offered through the state's contractual network of private and not-for-profit managed care plans.

## How does it work?

The FHP Buy-In program works in conjunction with the regular FHP program. Under the FHP Buy-In program, the state covers the share of the annual premium not covered by the employer using federally matched funds for employees who are eligible for regular FHP (or Medicaid). The employer is required to cover 70% of the premium, with some exceptions.

For employees who are ineligible for the regular FHP program, the employer must pay at least 70% of the premium and may require the employee to cover the remaining cost. Employers have the option of paying more than 70% of the premium, but employees can never be asked to pay more than 30% of the total premium.

## What does the program cover?

The FHP Buy-In program offers comprehensive benefits that include, but are not limited to, inpatient and outpatient services, lab and radiology tests, prescription drugs, and mental health and substance abuse services.

## How much does the FHP Buy-in cost?

In 2008, the average full per member per month (pmpm) FHP premium is \$253, although the premium amount varied depending on the managed care plan and region of the state. Members are also responsible for modest co-pays. In 2008, the FHP Buy-In was piloted only for Local 1199/SEIU home care workers at an undisclosed premium level.

If the FHP Buy-In program were opened up to a wider population, with higher "adverse selection"—or sicker enrollees—than regular FHP enrollees. For example, people who are currently uninsured, in the direct pay market, in Healthy New York, or currently have employer-sponsored insurance could enroll.

Accounting for enrollment from all these populations, the Community Service Society's actuaries, Gorman Actuarial, LLC., estimate that the pmpm premium still only would increase to \$320 per month, or \$3,840 per year—far cheaper than the \$12,000 per year that individuals are asked to pay in the direct pay market. The FHP Buy-In program would be significantly less expensive because there are lower administrative costs and a more restrictive provider networks. program.

## Why should the FHP Buy-in be Expanded?

There are many small businesses and employers in New York State who wish to provide their employees with health insurance but cannot afford to do so. Allowing them to buy into the FHP program would enable them to offer affordable comprehensive health insurance to their employees on a much more affordable scale than currently exists.

This would also offer significant savings to families who are currently being crippled by skyrocketing insurance premiums and benefit cuts, and offer an affordable option for New York's growing numbers of uninsured.

## Strange Bedfellows Unite!

With such strange bedfellows as Health Care For All New York, The Small Business Majority Foundation, and the National Federation of Independent Business supporting this, it is clear to see that the time for a FHP Buy-in expansion is now.



Expanding the FHP Buy-in to a wider population would only marginally raise premium costs.