



HCFANY on the Governor's Program Bills

Program Bill #11 (COBRA to 36 months)—Support

- ☺ This Bill would extend COBRA health insurance continuation rights from 18 to 36 months.
- ☺ It provides important relief to New Yorkers who have lost their jobs and, consequently, their health insurance.

- ✓ New York's unemployment rate is 8%, up 3% from last year.
- ✓ Nearly 800,000 are out of work.
- ✓ Under COBRA, people who lose job-based health care because they are laid-off or their hours are cut can extend their coverage by paying 102% of their group premiums.

- ✓ Without COBRA, unemployed individuals would have to pay roughly \$1,000 per month to purchase coverage on the direct-pay market, or go without.

HCFANY strongly urges the legislature to introduce and adopt Governor's Program Bill #11.

Program Bill #12 (Young Adult with age rating)—Oppose

- ☺ This Bill would require insurers that offer group coverage to give families the option of keeping young adults on their parents' job-based coverage until age 29; HCFANY favors this part of the Bill.
- ☹ But a fundamental provision of this bill is "age-rating," or premium discounts based on age.

- ☹ The adoption of age-rating is a giant step away from our current "pure community rating" system, which requires insurers to treat all people equally, regardless of age, gender, or health status. The Bill potentially opens the door to insurance discrimination based upon a consumer's real or perceived risk.
- ✓ Young adults between 19-29 are twice as likely to be uninsured as

Other adults, and make up nearly a third (31%) of the State's uninsured. New York needs a comprehensive solution to health reform that benefits all New Yorkers.

HCFANY objects to this bill as written, but would support it if it were amended to remove age-rating.

Program Bill #15 (Restores Prior Approval, Caps Profits)—Support (with Modification)

- ☺ Program Bill #15 would: (1) restore prior approval of insurance rates to the State; and (2) cap insurance profits by setting the minimum medical-loss ratio at 85% for the individual and small-group markets.
- ✓ From 2000-2007, NY's health premiums increased by 81% while median wages increased by 11%.

- ☹ HCFANY suggests the following changes:
 - ✓ Restore the public hearing process for rate increases;
 - ✓ Raise the medical-loss ratio to 90%;
 - ✓ Remove language that would allow waiver of the medical-loss ratio;
 - ✓ Eliminate language to allow a lower medical-loss ratio for Medicare supplemental plans;
 - ✓ Amend bill language to specify that

comprehensive policies should not be used to subsidize less comprehensive policies under the aggregation process, as it could undermine the protections of community rating.

Overall, HCFANY supports the Governor's Program Bill #15, with the above-mentioned reservations.

Program Bill #13 (Managed Care Package)—Support (with Modification)

- ☺ Program Bill #13 strengthens and updates the Managed Care Consumer Bill of Rights, by adding the following consumer protections:
 - (1) Extends consumer protections to HMO look-alike products;
 - (2) shortens utilization review time-lines for post-hospital discharges to one day;
 - (3) requires approval of

services if a utilization reviewer fails to act; (4) eliminates the rule that an enrollee's contract must be in effect to get a credit from an insurer who failed to meet a required medical-loss ratio; and (5) changes the external review criteria used for denials of treatment in the case of rare diseases. This Bill also extends protections to providers.

- ☹ The Bill forms a new category of rare diseases without detailed standards; HCFANY prefers the approach

proposed in A.00301/S.03840. The Bill also fails to address a common area of dispute when an HMO denies specialty treatment because of the qualifications of a specialist.

HCFANY urges the legislature to adopt these protections, but modify the external review provisions regarding access to experimental treatments for people with rare diseases, and disputes over specialty care.