



# Current Proposals for NYS Health Reform

## United Hospital Fund—Blueprint For Universal Health Insurance Coverage in NY

In December 2006, the United Hospital Fund (UHF) released its *Blueprint for Universal Health Insurance Coverage in New York* (*Blueprint*) health reform proposal for New York State. The *Blueprint* proposes that New York adopt the Massachusetts model of health care reform in the following stages:

- Simplify New York’s public insurance programs—Medicaid, Family Health Plus (FHP), and Child Health Plus (CHP).
- Expand FHP for childless adults up to 150% FPL. People 150-300% FPL could buy into FHP with subsidized sliding scale premiums. People above 300% FPL could buy-in at full premium, with payment caps

at 8% - 10% of gross family income.

- Creation of an Insurance Exchange to offer coordinated options for individuals and small groups. People without large employer sponsored coverage would have their risk pooled under the exchange. In addition, the Exchange would facilitate enrollment into FHP and HealthyNY and offer other insurance options.
- Two options for employer mandates: an employer pay-or-play system or a modest employer assessment. The pay-or-play option suggests that employers with 10+ employees pay a 8% payroll contribution (on average \$3200 per worker) with a tax credit to those who provide

health coverage.

The modest employer assessment indicates that employers with 10+ employees that do not provide health insurance will be required to pay \$400/worker to New York State each year.

- An individual mandate, on the notion that the only way to ensure health coverage for all is to have an individual mandate to purchase insurance.

UHF estimates that these measures will reduce number of uninsured in New York by 98%.

Massachusetts model	Blueprint model for NY
Medicaid expansion for children up to 300% FPL, a lift on adult enrollment caps.	Family Health Plus expansion for childless adults up to 150% FPL; subsidized buy-in for adults up to 300% FPL.
Insurance connector for individuals and small firms only, subsidies up to 300% FPL. Mandatory take-up of employer coverage limits enrollment in the connector and results in limited potential negotiating power.	Insurance exchange for individual buy-in with subsidies that phase out between 300%- 475% FPL. No waiting period. Significant enrollment expected by UHF, which would have potential for negotiating power.
Individual mandate (if affordable coverage is available), with penalties for non-enrollment.	Individual mandate with auto enrollment into coverage and assessment of premium owed. Income-related premium assistance.
Employer mandate with a modest assessment per worker.	Employer mandate ranges from no employer requirement to 8% payroll tax.
Other changes such as an increase in Medicaid rates and insurance market reforms.	
Financed by federal matching payments, reallocation of safety net funds, tax surplus, employer & family contributions.	Financing not specified.

## UHF-Blueprint for Coverage

### HCFANY's evaluation of the UHF proposal:

Health Care For All New York (HCFANY) has reviewed *Blueprint* in relation to our *10 Standards for Quality, Affordable, Health Care for All*. The proposal is strongest in its simplification agenda, the creation of the Insurance

Exchange and the employer mandate.

While achieving near-universality, HCFANY is concerned that the *Blueprint* does not directly address the issue of immigrant coverage and it may be unaffordable for many New Yorkers.

The following symbols are used to show how UHF's proposal measures against HCFANY's 10 standards.

😊 = Meets standard

😐 = Partially meets standard

😞 = Does not meet standard

### HCFANY's 10 Standards for Quality, Affordable, Health Care for All

😞 **Everyone must have health coverage and access to health care:** *Blueprint* is not a health care for all proposal. It does not address coverage for immigrants. Despite the individual mandate, UHF estimates that roughly 400,000 non-tax filers will remain uninsured. Also, under the proposed affordability caps, it is unclear whether the *Blueprint* would be able to achieve its estimated 98% coverage rate.

😞 **Health coverage must be affordable to the family budget:** *Blueprint* suggests significant cost-sharing for families, despite the subsidies. In Massachusetts, the model for this program, 60,000 (20%) of the uninsured had to be exempted from the mandate because they could not afford the cost-sharing required of them. If the program were implemented in New York, it is estimated that this number would be closer to 500,000.

😐 **Health coverage must include comprehensive benefits to meet people's needs:** *Blueprint* meets the comprehensiveness standard for those New Yorkers will have the ability to access the FHP program, but not for those who will have to buy HealthyNY or other similar low-cost options that may be offered through the Insurance Exchange.

😐 **Government should be an active watchdog and regulator of health care system:** *Blueprint* does not address this standard. However, the Insurance Exchange has significant potential to facilitate consumer access to information about insurance plans, health quality and health outcomes.

😞 **Health coverage must promote equity in health care utilization and outcomes:** *Blueprint* does not address this standard.

😊 **Existing and new public health insurance programs must be administratively simple to ensure enrollment:** The *Blueprint* provides an excellent summary of the steps needed to simply enrollment into public insurance programs.

😐 **Everyone should have the choice of a public health plan:** The *Blueprint* opens the FHP program to all, which is a significant policy step forward. However, under HCFANY standards, it is important to also open up a public insurance plan not mediated by private insurers.

😐 **Health care reform should include effective cost controls that promote equality:** Though not addressed directly, there is an addendum to *Blueprint* (produced by the Lewin Group) that outlines a number of general cost controls measures.

😊 **Employers' health coverage costs should be predictable and proportional to their total labor costs:** This standard is met under *Blueprint*, which would require employers to either pay an assessment or utilize the payroll tax system.

😐 **The safety-net health care delivery system must be preserved and enhanced:** This standard is not discussed extensively. However, the *Blueprint* would direct some safety-net funding to help fund its expansion of coverage.

## Be part of the solution!

Join Health Care For All New York by going to:

[www.hcfany.org](http://www.hcfany.org)

