



American Cancer Society Cancer Action Network ☞ Children's Defense Fund/New York
Community Service Society of New York ☞ Empire Justice Center ☞ Institute for Puerto Rican and Hispanic Elderly
Make the Road New York ☞ Medicare Rights Center ☞ Metro New York Health Care for All Campaign
New Yorkers for Accessible Health Coverage ☞ New York Immigration Coalition
Public Policy and Education Fund of New York/Citizen Action of New York ☞ Raising Women's Voices
Schuyler Center for Analysis and Advocacy

March 14, 2013

Re: Two Provisions in the Proposed State Budget That Would Raise Costs to Health Care Consumers

Dear Governor and State Legislators:

We are excited about the prospect of a significant expansion of health insurance access and affordability through the implementation of the Affordable Care Act (ACA) in New York, particularly the beginning of enrollment in the new state Health Benefit Exchange on October 1st and the expansion of Medicaid. The Exchange itself is projected to enroll over one million New Yorkers. ***We urge you to keep the promise that all consumers will be better off, and no one made worse off, with the implementation of federal health care reform.***

As you work together to arrive at a new 2013-14 state budget, the following state and local organizations dedicated to quality, affordable health coverage urge you to address two issues in the proposed budget that would significantly increase costs for some New York health care consumers.

Maintain Affordable Coverage for New York's Low Income Families

The proposed budget essentially eliminates the Family Health Plus program, which currently provides comprehensive coverage with no premiums and minimal co-pays to parents with incomes up to 150% of the Federal Poverty Level (FPL) and single adults and childless couples with incomes up to 100% FPL. Beginning in 2014, these people with incomes above 138% FPL will access similar comprehensive coverage options in the state's new Health Benefit Exchange, with partial federal subsidies to cover premiums and out-of-pocket costs. While the budget proposes that 36,000 *existing* enrollees as of December 31, 2013 will be "grandfathered" and get additional state-funded subsidies to cover the full premium costs and almost all out-of-pocket costs, 77,000 similarly situated adults will have to pay as much as \$670 a year in premiums to buy coverage on the Exchange. People earning \$12,000 a year cannot afford to pay this much for coverage and would likely remain uninsured.

Recommendation: We urge you to arrive at a solution that would treat all consumers equally, whether or not they are eligible for Family Health Plus before or after December 31, 2013, and provide additional premium and out-of-pocket subsidies to all consumers up to 150% of FPL. This change would ensure that health coverage is as affordable for these low-income individuals and families as Family Health Plus is now.

While the cost of addressing this problem will vary depending on the specific solution adopted, it is extremely reasonable in light of the \$2.5 billion New York will save due to the fully-federally funded Medicaid expansion in the ACA, and the likely availability of 50% federal matching funds for this additional purpose.

Maintain Out-of Network Benefits in the Individual Market

The proposed budget also eliminates a vital consumer protection in the individual, non-group market since 1996: the requirement that insurers offer consumers a rider that allows them to get needed health services on an out-of network basis at an additional premium or out-of-pocket cost. While we expect market forces to keep out-of-network benefits available for small group policies, it is a very real possibility that such coverage will disappear entirely for individuals that buy their own coverage next year if the current requirement on insurers is not continued.

The current budget language also authorizes insurers in the individual market to cancel such existing policies for current policyholders. For thousands of New Yorkers, particularly those with serious or chronic illnesses, an out-of network option is an essential protection that should be preserved. People paying for vital and often life-saving treatments with trusted providers -- HIV and cancer specialists, for example -- should not have their treatments cut off. Without this option, consumers that need to see out-of-network providers will have to carry the full cost of such services and treatments, presenting an extreme financial hardship or forcing them to go without necessary care.

Recommendation: We urge you not to eliminate the requirement that insurers be required to offer consumers in the individual market an out-of network plan both inside and outside of the state Health Benefit Exchange. This proposal has no known cost implications for the state budget.

If you have any questions, please contact Elisabeth Benjamin at (212) 614-5461 or at ebenjamin@cssny.org or Jessica Wisneski at (845) 901-0264 or at jwisneski@citizenactionny.org.

Sincerely:

Better Way of Somers, NY
 Beyond Body Mind Spirit
 Catskill Center for Independence
 Center for the Elimination of Minority Health Disparities, University at Albany, SUNY
 Central New York Alliance for Retired Americans
 Citizen Action of New York
 Citizens' Committee for Children of New York
 Coalition for Asian American Children & Families
 Community Service Center of Greater Williamsburg
 Community Service Society of New York
 Empire Justice Center
 Greater NYC for Change
 Gay Men's Health Crisis
 Health Care for All New York (HCFANY)
 Independent Living Inc.
 Korean Community Services of Metropolitan New York
 Lupus Foundation of Mid and Northern New York
 Martin Pretoff and Associates, Attorneys at Law
 Medicare Rights Center
 Metro New York Health Care for All Campaign

Mothers and Babies Prenatal Network
 NARAL Pro-Choice New York
 New York Lawyers for the Public Interest
 New York State Breast Cancer Network
 New Yorkers for Accessible Health Coverage (NYFAHC)
 Open Door Family Medical Center
 Prescription for Affordable Care for All
 Public Health Association of New York City
 Raising Women's Voices for the Health Care We Need
 Rector Consulting
 S2AY Rural Health Network
 S.L.E. Lupus Foundation
 Sarah Lawrence College Health Advocacy Masters Program
 South Asian Council for Social Services
 Westchester for Change
 Westchester Independent Living Center