



Healthcare Association  
of New York State

**Testimony of the**

**Healthcare Association of New York State**

**before the**

**Joint Public Hearing of the**  
**Assembly Committee on Health,**  
**Assembly Committee on Insurance, and the**  
**Assembly Committee on Labor**

**on**

**How to Increase Health Insurance Coverage**  
**in New York State**

December 8, 2006

Richard N. Gottfried, Chair, Assembly Committee on Health  
Alexander B. Grannis, Chair, Assembly Committee on Insurance  
Susan V. John, Chair, Assembly Committee on Labor

Thank you, Chairperson Gottfried, Chairperson Grannis, and Chairperson John for providing the Healthcare Association of New York State (HANYs) the opportunity to testify before this joint hearing of the Assembly Health, Insurance, and Labor Committees regarding strategies to increase health insurance coverage in New York State. I am Raymond Sweeney, Executive Vice President of the Healthcare Association of New York State, which represents more than 550 non-profit and public hospitals, health systems, nursing homes, and home care agencies throughout New York State.

Expanding access to New York's 2.6 million uninsured residents is a difficult task that HANYs is committed to accomplishing through considerable effort and partnership with the State Legislature and new Administration. HANYs believes that realistic coverage goals are attainable through this partnership and a coordinated set of initiatives. Our goals are also consistent with those set out by Governor-elect Eliot Spitzer during his election campaign, and include achieving universal coverage for children and reducing the total number of uninsured by half, before 2010.

Recent statistics show the percentage of uninsured in New York falling slightly, while the national percentage continues to climb. Notwithstanding our best efforts, New York continues to have 2.5 to 3 million uninsured residents. We still need to address programmatic and administrative shortfalls in the system so all New Yorkers have access to the vital care they need in their communities without the constraints imposed by a lack of wealth. The uninsured population frequently postpones or does not receive care because of these financial impediments, and the care they do receive is often fragmented.

Of importance is that the percentage of private-sector employees covered through their job is declining, and enrollment in publicly-funded programs such as Medicaid or Child Health Plus (CHP) is increasing throughout New York. Enrolling all currently eligible, low-income children and adults would nearly achieve the stated goals of universal coverage for children and halve the total number of uninsured in the state.

HANYS believes that these goals are achievable through improved outreach and enrollment initiatives, coupled with reasonable changes in initial eligibility and recertification requirements for existing programs—Medicaid, CHP A and CHP B, Family Health Plus (FHP), and Healthy New York. Simultaneously, we believe it will be important for the Legislature and Administration to undertake and lead a comprehensive policy discussion to address the remaining 1.5 million New Yorkers not eligible for existing public coverage or subsidy programs.

In order to achieve universal coverage for children and maximize adult enrollment by 2010, strategies must focus on capturing those who are currently eligible but uninsured. A three-tiered approach will provide the most effective opportunity to enroll those currently eligible and begin working toward universal coverage for children. HANYS recommends three primary actions: (1) simplification of the eligibility and recertification process, (2) improved program outreach, and (3) modest expansion of CHP B eligibility criteria.

## **Simplification**

Every year, eligible New Yorkers forgo enrollment in public coverage programs because of the onerous requirements and excessive documentation needed to apply. Further, there is a population of enrolled individuals who involuntarily lose coverage every year because of the burdensome recertification requirements. Less than one percent of CHP disenrollments occur due to an increase in family income.

We must promote continuous enrollment and process simplification to curb wasteful health care spending and utilization patterns. Those not continuously enrolled in Medicaid for 12 months had higher rates of ER usage and lower rates of filling a prescription for antibiotics compared to children enrolled in Medicaid. These involuntarily disenrolled individuals make fewer ambulatory care visits, utilize preventive services less, are more likely to have avoidable hospitalizations, and have less favorable treatment outcomes compared to their enrolled counterparts. As a result, these adverse health outcomes drive costs as providers assume a majority of the financial burden. The Urban Institute estimated that in 2005 New York State medical providers spent about \$2.8 billion on care for the uninsured, \$1.8 billion of which was directly provided by hospitals.

The efficacy of a streamlined enrollment process was highlighted by New York City's response to the events that took place on September 11, 2001. Following the tragedy of September 11, New York instituted Disaster Relief Medicaid (DRM), enrolling more than 400,000 low-income, uninsured residents virtually overnight to provide access to

needed health care. Over the four months that followed, the DRM enrollment rate was ten times the usual Medicaid enrollment rate.

This worthwhile initiative was accomplished because it relied on a short, simple application, with maximum use of self-attestation and minimal documentation. However, about 30% of these newly enrolled beneficiaries were not able to navigate the transition process to normal Medicaid and lost coverage because of the complicated recertification measures. While the simplified process was precipitated by an extraordinary tragedy, it nevertheless demonstrated the value of simplicity and the problems caused by requiring excessive documentation.

HANYS recommends that New York simplify the initial eligibility and recertification processes to maximize use of self-attestation of income and/or resources, and expand state responsibility for validation/verification using state databases, consistent with, but no greater than, federal requirements.

The state should also expand the period of continuous eligibility to minimize unnecessary disenrollment/re-enrollment. For example, as incomes fluctuate during the course of a year, coverage could be lost as income rises temporarily, even though they are under the limits shortly after. Re-enrollment costs are substantial and time-consuming and we recommend the state pursue lock-in strategies to combat this involuntary disenrollment. In New York City (NYC), the cost for enrolling a child in CHP B is about \$280, more

than twice the amount of the monthly CHP B premium, which averages \$118 in NYC.  
(Study by the NY Academy of Medicine in 2003)

HANYS also recommends that the state expand use of Express Lane Eligibility and continue to improve the seamlessness of the system (transitions from CHP A to CHP B). Express Lane strategies use existing government programs operating in New York State to identify and enroll low-income uninsured into the state's Medicaid or CHP program. There is real potential for retaining enrollees and capturing previously eligible but uninsured individuals through these strategies, but the state must compare eligibility standards and participation rules between programs.

There is no existing mechanism in New York to ensure a seamless transition between programs like CHP A and CHP B. The Children's Defense Fund estimates that between 16,000 and 33,000 children lost insurance coverage in 2005 due to this transition. We believe that enhanced use of state databases and utilization of information technology can improve the seamlessness of New York's health and welfare systems. Although the state's efforts in creating AccessNY—the multi-functional application for CHP, FHP, Medicaid, PCAP, and WIC—was a big step in the right direction, technology can improve upon the efficiency of these operations through automated eligibility systems and other technological applications.

HANYS also recommends that the state explore changes to income eligibility standards in Medicaid. While both CHP and Family Health Plus use gross income as the eligibility

standard, Medicaid still uses net income. Using gross income as opposed to net income to define eligibility is much simpler and may enable the program to reach more eligible adults.

### **Improved Outreach**

Outreach is a necessary and important compliment to a simplified application process. Use of facilitated enrollers has demonstrated its effectiveness in the CHP program. HANYS recommends the state provide funding to expand use of facilitated enrollers for all programs, including expanding partnerships with community-based organizations, providers, and others. Facilitated enrollment programs are successful at increasing access to community-based application assistance, which is a positive step toward increasing coverage to all New Yorkers.

Grant-funded facilitated enrollers have proven effective in outreach efforts. To build upon past work and continue enhancing outreach, we must also expand our efforts by utilizing volunteers in this capacity. HANYS recommends training volunteers to maximize workforce resources in this important effort.

We also recommend that the state improve its use of information technology (IT) linkages to other New York State databases to identify eligible populations. Automated eligibility systems can decrease the average processing time for program applications, speeding up enrollment for those currently uninsured. Further, HANYS suggests exploring technological applications that enable individuals who lose eligibility for one

public health insurance program to be screened electronically for eligibility in another program and enrolled automatically.

### **Expanding Eligibility Criteria for CHP B**

HANYS' approach to covering the uninsured focuses on simplification and improved outreach to capture the uninsured but eligible individuals. However, this population accounts for only half of the uninsured residents in New York. Presently, about 450,000 children in the state lack coverage; approximately 350,000 are eligible for Medicaid/CHP. About 100,000 children are not eligible for a public program. In order to achieve the universal coverage goal for children, we must focus on strategies to cover this population.

Several states currently have expanded subsidized programs for low-income children in families up to 300 or 350% of federal poverty level (FPL). There are at least five states with eligibility levels at 300% of FPL—New Jersey and Pennsylvania each allow eligibility up to 350% of FPL. Expanding eligibility to 350% of FPL would allow NY to reach about 50,000 to 100,000 of these children at affordable rates. HANYS recommends expanding the income eligibility level for CHP B to 350% of FPL.

### **Securing Continued and Additional Federal Funding**

In order for New York State to continue offering the wide array of public coverage programs that are now in operation, we must work to maintain and enhance federal funding. New York should work to reauthorize and fully fund the State Children's

Health Insurance Program (S-CHIP), which ends in 2007, to ensure that children across New York and the nation have affordable access to quality care.

Federal financial participation is crucial and HANYS also recommends expanding the federal match for Medicaid—either the FMAP generally, or increase the floor for all children enrolled in Medicaid to the same level as S-CHIP (65% FFP)—to guarantee adequate funding for programs serving New York’s children.

### **Universal Coverage**

Ideally, there should be a national plan for universal access to health care coverage to avoid concerns about economic competition across state borders. Several states, most notably Massachusetts, have designed plans which they hope will work to address the growing decline in employer-sponsored health coverage and to maximize total coverage within the state.

Such plans are complex and involve blending different combinations of components including coverage mandates for individuals and/or employers, expanding public programs, and enacting health insurance market reform, among others. No state is the same, and the optimal combination of reform for a given state cannot be determined without extensive investigation unique to the demographic and market characteristics of that state.

HANYS recommends that the state create a Commission on Universal Access with a mandate to prepare a comprehensive plan by 2008 for coverage of all New Yorkers. Commission stakeholders should include political leaders, consumers, providers, insurers, business, labor, and others.

### **Conclusion**

HANYS is delighted to be part of this discussion and we look forward to working with you as we strive to achieve real improvement in terms of access to New York's health care system. There is real opportunity for the Legislature and Administration to positively influence future coverage patterns in New York, and HANYS wishes to help. The first step that we must take is to achieve universal health care coverage for children and reduce the total number of uninsured by half, before 2010.

HANYS' approach initially focuses on capturing the uninsured but eligible individuals through a simplified eligibility and recertification process, coupled with improved outreach. Since almost half of New York's uninsured population is eligible for a public coverage program, meaningful reform should begin by targeting this population.

To address longer-term issues, HANYS recommends the creation of a panel with the charge of studying and preparing a comprehensive plan for universal coverage in the future.

Thank you again for giving HANYS the opportunity to testify at this important hearing.