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# Insurance Coverage in NYS and Why it Matters

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# Three-part series

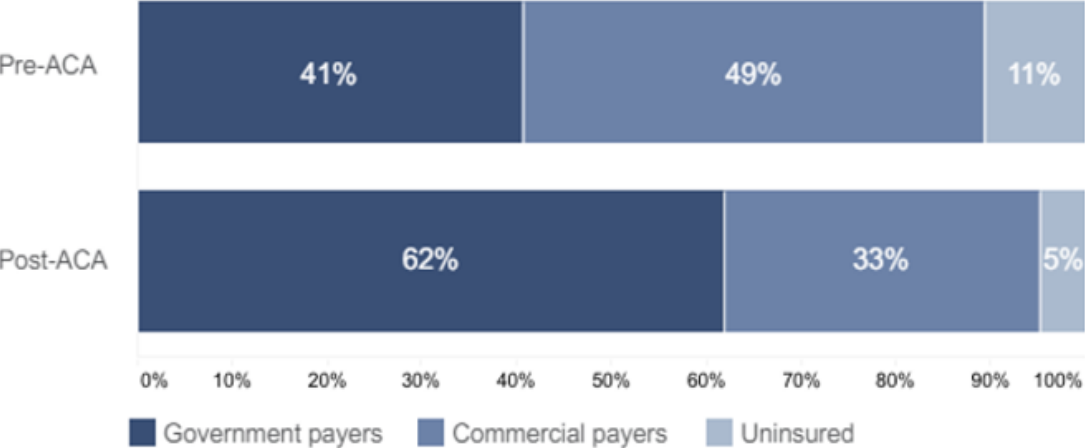
## Today's session

1. Insurance in NYS and why it matters to hospital reimbursement.
2. How hospitals and nursing homes are reimbursed for care provided.
3. The role of supportive funding in Medicare and Medicaid reimbursement.



# NYS health insurance coverage

## Coverage before and after the Affordable Care Act



Note: Total does not add to 100% due to rounding.

Source: [https://www.hanys.org/communications/publications/case\\_for\\_change/](https://www.hanys.org/communications/publications/case_for_change/)

Pre and post-ACA is based on NYSDOH coverage data from 2012 and 2018. Post-ACA is reflects 2023 coverage level estimates based on the NYSDOH data.

**HANYS**  
Always There for Healthcare

### THE CASE FOR CHANGE

A data-driven market and landscape assessment of New York state's healthcare infrastructure and the imperative for change

**Demand** **Workforce** **Disparities** **Affordability**

February 2024

# Post-ACA coverage expansion

Medicaid enrollment (generally up to 138% of the federal poverty limit)	New Yorkers enrolled (as of June 2023)
Total enrollment	7,983,170
ACA expansion group	2,602,930
Newly eligible (expansion group)	444,849
Not newly eligible (expansion group)	2,158,081
Essential plan enrollment (generally up to 250% FPL)	New Yorkers enrolled (as of May 2024)
Total enrollment in 2013	0
Total enrollment as of May 2024	1,368,264

- ACA-related qualified health plan enrollment (under 400% FPL): 233,151

Source: <https://info.nystateofhealth.ny.gov/enrollmentdata> and <https://www.kff.org/affordable-care-act/state-indicator/medicaid-expansion-enrollment/>

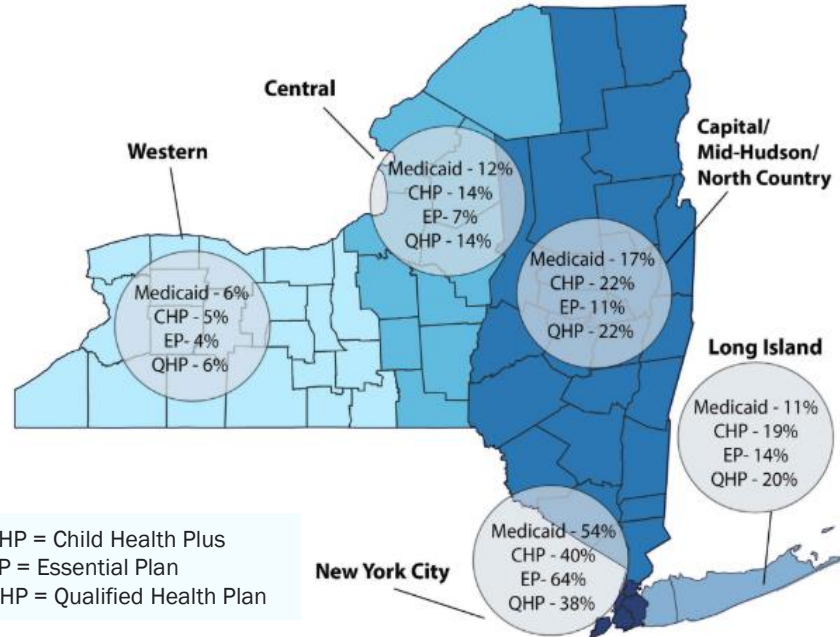


# Regional view of coverage through the Exchange

(New York State of Health)

## Regional Data

Similar to previous years, slightly more than half (55 percent) of Marketplace enrollees live in New York City; 12 percent live on Long Island; 16 percent live in the Capital/Mid-Hudson/North Country region; 6 percent live in the Western region; and 11 percent live in the Central region. The shares of enrollment by region largely track to each region's respective share of the State's non-elderly population.

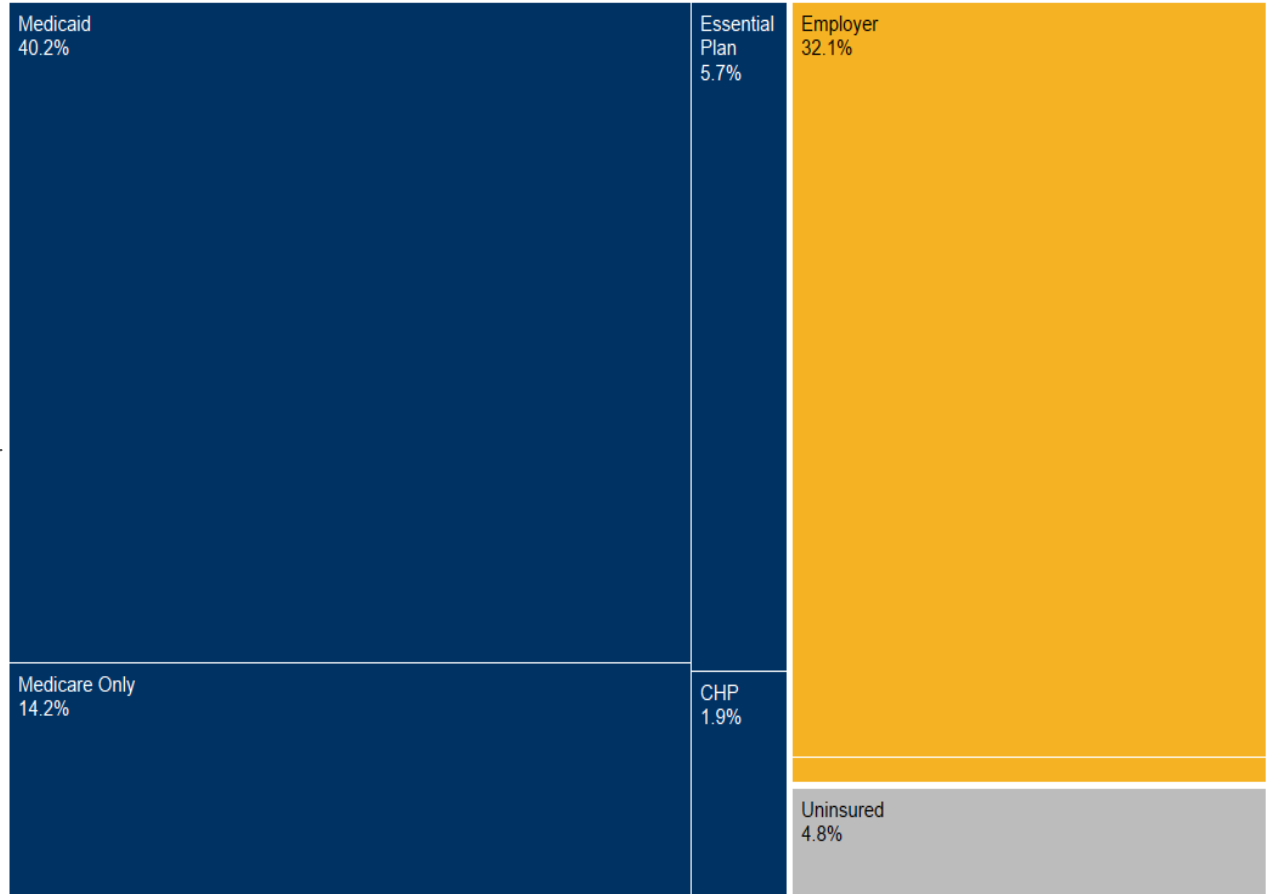
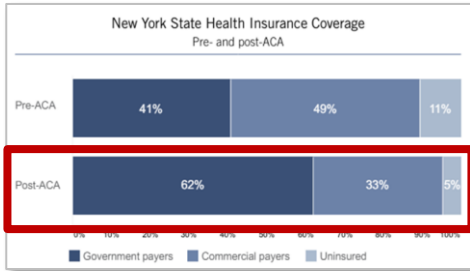


CHP = Child Health Plus  
EP = Essential Plan  
QHP = Qualified Health Plan

Source: <https://info.nystateofhealth.ny.gov/health-insurance-coverage-update-april-2023>



# Post-ACA coverage in NYS



# Major insurance types and who sets the payment rates

Payer	Who sets the payment rates
Medicaid Fee-For-Service	Government
Medicaid Managed Care (most of Medicaid enrollees)	Negotiated between provider and plan (Medicaid FFS is typical starting point)
Medicare FFS	Government
Medicare Advantage (majority of Medicare enrollees)	Negotiated between provider and plan (Medicaid FFS is typical starting point)
Essential Plan	Based on Medicaid (with recommended percent add-on – currently 400%)
Commercial (self insure, large group, small group, individual market)	Negotiated with payer



# Average Medicare and Medicaid underpayment to hospitals in NYS



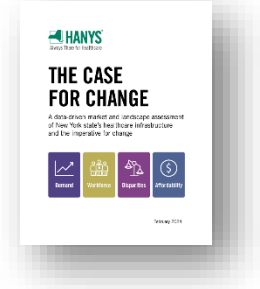
Medicare pays 89 cents on the dollar



Medicaid pays 70 cents on the dollar



# Underpayment implication

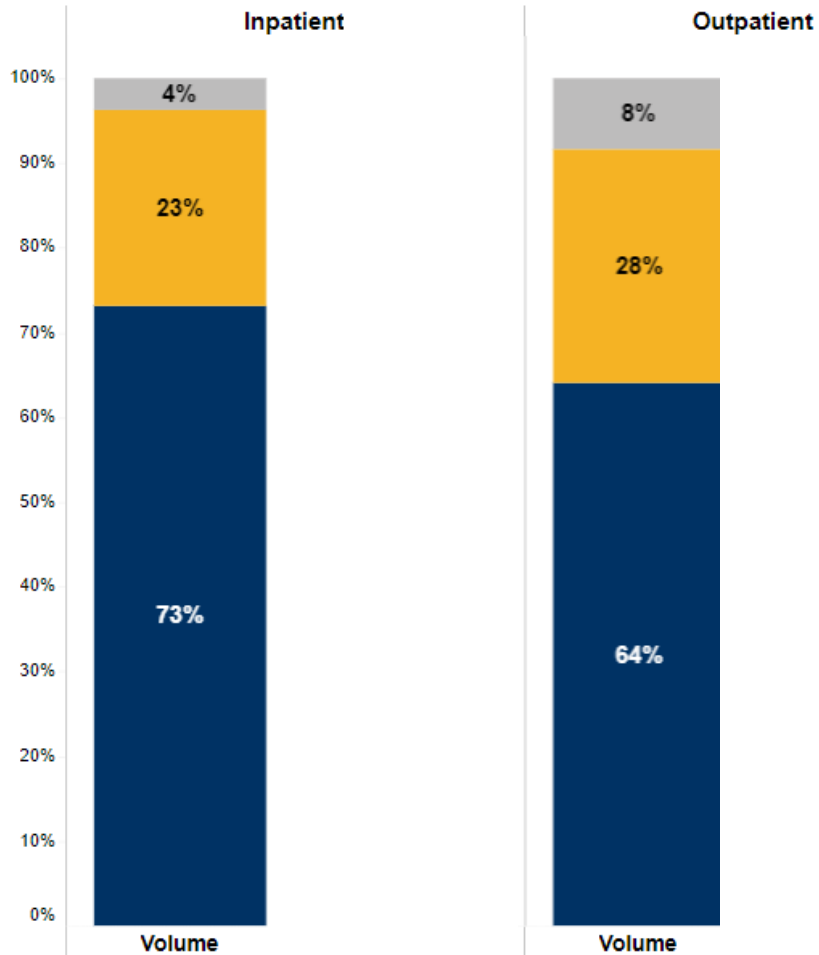
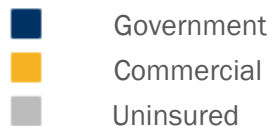


*“... this persistent underpayment forces struggling hospitals to balance finances by negotiating more favorable rates from powerful private-sector/commercial payers. However, for urban and rural safety-net hospitals with the highest government payer volumes, there is no opportunity to offset these losses. This inability directly contributes to their financial distress.”*

Source: [https://www.hanys.org/communications/publications/case\\_for\\_change](https://www.hanys.org/communications/publications/case_for_change)

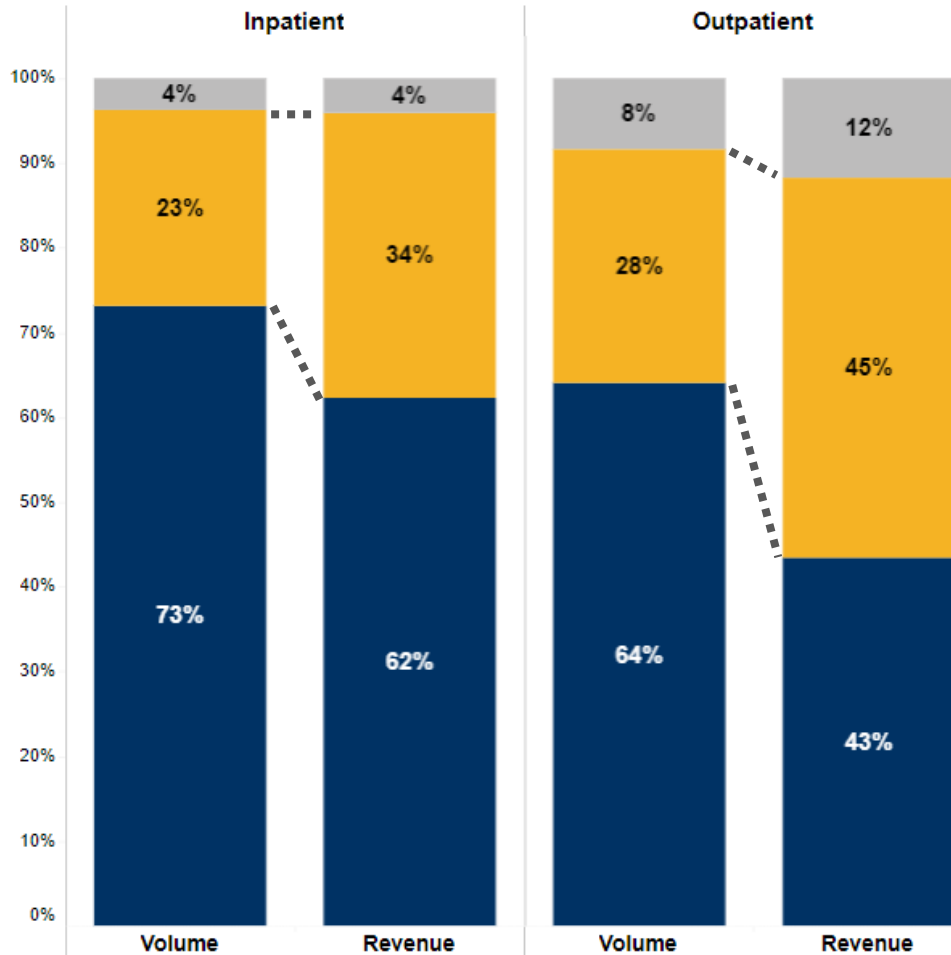


# NYS hospital patient volume by payer (inpatient and outpatient)

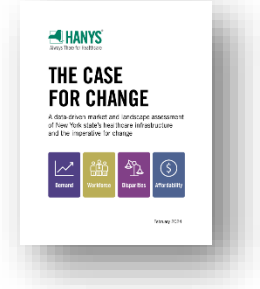


# NYS hospital patient volume versus patient revenue by payer (inpatient and outpatient)

- Government
- Commercial
- Uninsured



# Underpayment implication



*“Government payers, namely Medicare and Medicaid, fail to cover the cost of care across all provider types. Providers with larger shares of privately insured patients typically perform better financially than peers that treat a disproportionate share of government-sponsored patients, affording them the ability to invest in people, technology and infrastructure to optimize patient care experience and outcomes.”*

Source: [https://www.hanys.org/communications/publications/case\\_for\\_change/](https://www.hanys.org/communications/publications/case_for_change/)



# Government underpayment for nursing homes and physicians



*“New York state’s **nursing homes** and **physicians** face similar challenges. 72% of nursing home patient days are for Medicaid patients, with Medicaid paying only 76 cents for each dollar of care provided and very little or no private sector/commercial volume to balance their finances. For New York state’s physicians, Medicaid pays 57% of what Medicare pays for the same services (third lowest in the country).”*

Source: [https://www.hanys.org/communications/publications/case\\_for\\_change](https://www.hanys.org/communications/publications/case_for_change)



# Three-part series

## Next up

1. Insurance in NYS and why it matters to hospital reimbursement.
2. How hospitals and nursing homes are reimbursed for care provided.
3. The role of supportive funding in Medicare and Medicaid reimbursement.



# Thank you.

## The Statewide Voice for New York's Hospitals and Health Systems

