



TESTIMONY SUBMITTED TO  
SENATE STANDING COMMITTEE ON HEALTH  
SENATE STANDING COMMITTEE ON INSURANCE

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BY

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Good afternoon Chairman Hannon, Chairman Seward and Committee members. I am Donna Frescatore, Executive Director of NY State of Health. As you know, NY State of Health is New York's official health plan marketplace under the federal Affordable Care Act, where New Yorkers can shop for and enroll in health insurance plans. Since the marketplace's launch in October, over a quarter-million New Yorkers have enrolled in affordable health insurance through NY State of Health. Thank you for inviting me here today to tell you about the successful launch of this program and the many New Yorkers who have enrolled in health insurance coverage since its launch.

## **BACKGROUND**

### **Planning and Launch**

On April 12, 2012, Governor Cuomo issued Executive Order No. 42, establishing a state-based health benefit exchange in accordance with the Affordable Care Act. The Order set in motion an intense 18-month planning and implementation process that included the input of over 200 stakeholders through 5 Regional Advisory Committees throughout the state, the completion of 15 policy studies, and extensive collaboration with the state Medicaid program and the Department of Financial Services. In June 2012, NY contracted with CSC (Computer Sciences Corporation) to be the single systems integrator responsible for building and operating the state's marketplace website. We developed an adaptive and flexible system that allowed us to quickly identify issues as the marketplace website was being built, and to quickly make changes and corrections to the system once the website was up and running.

On January 31, 2013, NY State of Health issued an invitation to all health insurers licensed in New York to participate in the Marketplace. The invitation went beyond federal requirements in requiring insurers to offer standardized products at each metal tier and in each county of its approved service area. Out-of-network (OON) products were required if the insurer offered such products on the outside market.

On October 1, 2013, we launched NY State of Health's enrollment website. As reported, to date, there have been over 2.5 million unique visitors to the website and they have viewed over 57 million web pages. Traffic to the website remains high, and the website is operating smoothly with an average system response time of 3.8 seconds per page request. Although extraordinarily high website volume during the initial days of the marketplace's launch resulted in some problematic wait times, our technical team responded by quadrupling the website's processing capacity, and senior project leadership remained on-site to direct and oversee corrective actions. As a result, by October 5<sup>th</sup>, website performance improved dramatically

Between October 1, 2013 and December 24, 2013, trained representatives at the NY State of Health Customer Service Center answered over 350,000 calls. As the deadline for enrolling in coverage effective January 2014 approached, call volume more than doubled from an average of 5,500 calls answered per day, to more than 15,000. To address this increase and provide better service, the Customer Service Center added representatives to its telephone lines in December, and additional staff will be added in the coming weeks.

## **Ongoing Outreach and Assistance**

NY State of Health is committed to improving customer interactions and meeting the needs of a diverse population of potential enrollees. To date, 75% of applications have been submitted by consumers directly through the website. The remaining 25% of applications were submitted by telephone or by trained “assistors.” These assistors include over 570 Navigators, over 2,500 Certified Application Counselors and over 3,900 licensed insurance brokers certified by NY State of Health. Regardless of type, each assistor must adhere to strict policies and procedures related to privacy and security of data and disclosure of potential conflicts.

Forty-eight (48) organizations serve as Navigators throughout the State, bringing with them 95 affiliated organizations, including 13 Chambers of Commerce. Each individual navigator completed a three-day, in-person training course, and a written exam.

Like Navigators, Certified Application Counselors, who are generally employees of healthcare providers, Federally-Qualified Health Centers or health plans, provide in-person assistance to individual consumers. While these counselors must meet the same certification requirements as Navigators, they do not receive grants.

Recognizing the role that NYS licensed insurance brokers play in advising small businesses and the assistance that they can provide to individual consumers as well, NY State of Health worked with the Department of Financial Services and broker organizations to develop an 8-hour Continuing Education course for the certification of insurance brokers.

## **Consumer Privacy/Security**

Regardless of how consumers apply for coverage, securing personal data is critical. In building and deploying the marketplace, the Department of Health has implemented advanced security controls and processes based on the National Institute of Standards in Technology’s guidelines, as well as other regulatory, administrative, technical and physical safeguards. These security and privacy controls enable NY State of Health to protect the privacy and information it is required to collect on behalf of each consumer. Strong encryptions protect communications to and from the website. In addition to standard computer system protections in place — including antivirus and antimalware implementations — the website also uses both network and host intrusion prevention mechanisms to detect and prevent malicious activity.

Additionally, the marketplace encourages consumers to always protect their personal information. On September 24, 2013, NY State of Health issued an alert to consumers advising them that: (i) they should never be charged a fee for assistance enrolling in marketplace plans; (ii) they should only provide information to a person who has been certified by the marketplace to assist consumers; and (iii) no one will ever contact them from the marketplace unless they have requested assistance. Any reported instance of potentially inappropriate activity will be fully investigated by NY State of Health in conjunction with the Department of Financial Services, as appropriate. NY State of Health has also established a prior approval process for persons or organizations seeking to use the NY State of Health name or logo.

## INDIVIDUAL MARKETPLACE

New York's health plan marketplace is a national leader, and health insurance enrollment through NY State of Health has grown steadily and significantly since the program's launch. I would like to tell you more about the New Yorkers who have enrolled in health insurance effective January 1, 2014, and the types of coverage they have enrolled in.

By the close of business on December 24<sup>th</sup>, 230,624 New Yorkers had enrolled in individual health insurance coverage through NY State of Health. These enrollments include New Yorkers from every county, with the largest percentages of total enrollees coming from Kings, Queens, Suffolk, Manhattan, Nassau, Westchester, Erie, and Monroe.

Of NY State of Health's total individual enrollments, the majority (66%) were in Qualified Health Plans (QHPs). Sixteen health insurers are currently certified to offer QHPs through the marketplace, ensuring that consumers have a choice of affordable health insurance plans throughout the state. Each of the 16 health plans had enrolled members in their QHPs as of the end of December 2013.

All QHPs cover benefits consistent with federal requirements and state insurance law, and each QHP network meets the same network criteria that the Department of Health uses to license health maintenance organizations. QHP networks must include all provider types necessary to deliver the services covered, including hospitals, choice of primary care physicians, choice of physician in each specialty type and essential community providers such as Federally Qualified Health Centers, among others. In the event a health plan member demonstrates a need to receive services from a healthcare provider not available in the QHP's network, the Marketplace will require that health plan to approve a referral to an out-of-network provider, with the plan member responsible only for the same out-of-pocket cost that they would have been responsible for had they received the services from an in-network provider.

NY State of Health is working with the other divisions of the Department of Health to assess the incremental demand for primary care that will result from implementation of the marketplace. That analysis will take into consideration actions taken by the Legislature, such as the Primary Care Service Corps Loan Repayment Program (PCSC), the DANY Loan Repayment and Practice Support Programs and the Health Workforce Retraining Initiative, all of which play a critical role in assuring that New York has the primary care capacity needed to meet the incremental demand.

Of the individuals that enrolled in QHPs as of December 24, 2013:

- GENDER: 53% are female and 47% are male.
- AGE: 30% are under age 35; 16% are between ages 35 and 44; 23% are between ages 45 and 54 and 31% are over age 54.
- INSURANCE STATUS: Nearly 50% were uninsured at the time of application, with higher rates among those who qualified for financial assistance.

As projected, 68% of individuals and families enrolled in QHPs received financial assistance in the form of federal tax credits and/or cost-sharing credits. Fifty (50) percent qualified for both tax credits and cost-sharing credits and 18% qualified for tax credits only. The remaining 32% had incomes over 400% of federal poverty level or did not apply for financial assistance, but still benefited from the approximate 53% reduction in premium rates as compared to those in effect in 2013.

The NY State of Health requires every participating insurer to offer coverage at 4 different metal levels: Platinum, Gold, Silver and Bronze. Three variations of the Silver plan are available for consumers with incomes below 250% of federal poverty level. Catastrophic plans are also available through the marketplace for people under age 30. To date, 17% of individual enrollees are enrolled in Platinum plans, 12% in Gold plans, 12% in Silver plans, 39% in Silver plans with cost-sharing reductions and 18% in Bronze plans. Only 2% enrolled in Catastrophic coverage through the marketplace.

Early enrollment results show that NY State of Health has been effective in reaching New Yorkers in all areas of the state, at all income levels and at all ages. And, as predicted, New Yorkers are realizing real savings.

### **CHILD HEALTH PLUS**

New York has long been a leader in covering children through Child Health Plus. We are proud to say that, as of the close of business on December 24th, NY State of Health has enrolled 16,750 children under the age of 19 in Child Health Plus. The vast majority (94%) were in families that qualified for subsidized coverage. For most families, enrolling children in CHP and adults through QHPs is the most affordable option. Enrollments of children will remain a priority for NY State of Health going forward.

### **SMALL BUSINESS MARKETPLACE**

NY State of Health was one of the only state-based marketplaces to successfully launch an on-line Small Business Marketplace on October 1, 2013. The Small Business Marketplace gives employers the flexibility to select the contribution and plan options that work best for them, to set variable contribution rates for employees, to select a single health insurer and plan level, or to opt for a defined contribution model that gives the employer predictable costs and allows employees to select among insurers and/or plan levels.

Small businesses in every county of the State elected to provide coverage through the Small Business Marketplace. In January 2014, 5,047 New York small business employees and their dependents were enrolled in health insurance through NY State of Health's Small Business Marketplace. Unlike individuals who have a specified open enrollment period that ends on March 31, 2014, small businesses can enroll in NY State of Health's Small Business Marketplace in any month of the year, and we expect that enrollment will continue to grow steadily throughout the year.

Platinum level plans were the most popular choice among Small Business Marketplace enrollees. Thirty-eight percent of Small Business Marketplace enrollees selected Platinum plans, 28% selected Gold plans, 24% selected Silver plans and 10% selected Bronze plans.

### **MEDICAID**

Effective January 1, 2014, New York expanded Medicaid eligibility levels to 138% of Federal Poverty Level (FPL), making it eligible for increased federal funding to subsidize new and existing childless adult enrollees. Through December 24, 2013, 61,625 individuals enrolled in Medicaid through NY State of Health. Since New York's eligibility levels largely met this new federal standard, this expansion affected single and childless adults whose eligibility had been set at 100% of FPL. The new expansion population represents 20% of new Medicaid enrollees through the Marketplace thus far.

### **CONCLUSION**

In summary, the launch of NY State of Health has been an overwhelming success. We enrolled over a quarter-million New Yorkers in health insurance coverage in less than three months. But implementing our state's insurance marketplace is not a one-time task. It's a continuous process of operational improvements, on-going training, refining the products that "stock the shelves" of the marketplace, and working one-on-one with consumers when they encounter difficulties or have questions. Each day we work to identify and implement modifications to improve the customer experience. Many enhancements such as adding a doctor search tool and clarifying questions in the application have already been implemented, and more are planned for in the upcoming months.

I know I speak for the entire NY State of Health team when I say that we are proud of what has been accomplished, and we are committed to ensuring that New Yorkers have access to affordable high quality health insurance and the consumer experience that they expect and deserve.

Thank you, and I would be happy to answer questions.