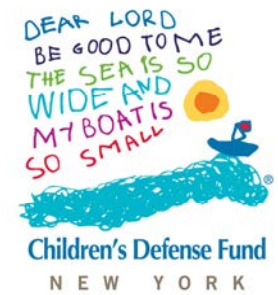


# Children's Defense Fund – New York

## Testimony to the New York State Department of Insurance on the Creation of New York's Health Exchange

### May 18, 2011



Thank you for holding this public forum and providing the opportunity to speak about our vision for New York's Health Insurance Exchange. My name is Jennifer Rojas and I am the Deputy Director of the Children's Defense Fund – New York (CDF-NY). The Children's Defense Fund Leave No Child Behind® mission is to ensure every child a *Healthy Start*, a *Head Start*, a *Fair Start*, a *Safe Start* and a *Moral Start* in life and successful passage to adulthood with the help of caring families and communities.

The Children's Defense Fund (CDF) is a non-profit child advocacy organization that has worked relentlessly for 35 years to ensure a level playing field for all children. We champion policies and programs that lift children out of poverty; protect them from abuse and neglect; and ensure their access to health care, quality education, and a moral and spiritual foundation.

CDF-NY is a Steering Committee member of Health Care for All New Yorkers (HCFANY), a statewide coalition committed to winning affordable and high-quality health care for all New Yorkers. CDF-NY has worked diligently over the past ten years to expand coverage for all children and to simplify the enrollment and renewal pathways for public health coverage. Today I will focus my testimony on the need to create a single state-based Health Insurance Exchange that is truly accessible to all New Yorkers.

New York has been a leader in providing access to affordable health coverage to its low-income residents. Most notably, all children in New York have access to affordable and comprehensive health coverage through Medicaid and Child Health Plus. As a result of the state's commitment to providing coverage to children, the number of children eligible for, but not yet enrolled in, Medicaid or CHIP is down to almost 260,000 from 320,000 in 2004.<sup>1</sup> While this is a great achievement for which our state should be proud, no child should be without coverage in a state where virtually every child is eligible.

We believe there is much that can and should be learned from the efforts over the past decade to make public coverage – especially children's coverage – more accessible. Bureaucratic obstacles, misinformation about the programs and fear of public programs primarily by immigrant families result in many children going without health coverage. Onerous documentation and a long complicated application lead many families to get lost in the process and give up. For those who do obtain coverage, many lose it at renewal because of similar

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<sup>1</sup> Allison Cook, Emily Lawton, Danielle Holahan, "Health Insurance Coverage in New York, 2008," United Health Foundation, June 2010, page 19.

administrative hurdles, requiring both the family and the government to start over with processing a new application.

The Affordable Care Act (ACA) and creation of a state Health Insurance Exchange provide an important opportunity to eliminate barriers to coverage, reduce administrative costs and create a truly accessible system. We urge the state to seize this opportunity to create a system that builds on what is working and eliminates what is not.

### ***Urgent Need to Enact Exchange Legislation***

Before talking about the design of the Exchange, I want to stress the need for New York to enact legislation in this legislative session to create a strong consumer-friendly, state-based Health Insurance Exchange. Without such legislation, New York will lose out on the opportunity to apply for a five-year federal grant to build and implement the Exchange. While other short-term opportunities may be possible, this grant would provide guaranteed funds that would essentially finance the creation of the Exchange, which New York will be required to do with or without federal support. With such uncertainty about the future of federal funding for the ACA, it would be a mistake for New York to miss this opportunity. Failing to pass legislation in this session could lead to New York losing out on millions of dollars to create and implement the state-based Exchange.

It is also important to pass this legislation in this session to allow sufficient time and input in the actual design and implementation of the Exchange. New York will be required to have such an Exchange up and effectively running by mid-2013. It will be important to include the feedback and expertise of many stakeholders – most importantly consumers who will be accessing these services. We hope the state will build off of these public forums to create an open process that incorporates the expertise and feedback of all stakeholders while also minimizing any potential conflicts of interest.

### ***Design of Exchange***

As a member of HCFANY we strongly advocate for an Exchange that meets the following principles:

1. One Statewide Exchange For All.
2. An Exchange That Offers Quality and Affordable Benefit Packages.
3. An Exchange that is Easy to Navigate and Represents Consumers.
4. An Exchange that Builds on the Success of New York's Public Programs.
5. An Exchange that Supports Principles of Health Equity.

Many of my colleagues at this forum and the forums across the state will be providing valuable insight and detail about all aspects of creating the Exchange, including the need for a single state-based Exchange and merging individual and small group markets – both of which will create a stronger and more affordable system.

Based on the work of CDF-NY and our experience with public health coverage, I will focus on the accessibility of the Exchange and the importance of consumer input that will help inform policy-makers about the successes and challenges of the existing public health programs.

There have been great strides in New York over the past few years to simplify and streamline the application and renewal pathways for public health coverage, including elimination of the face-to-face interview requirement and the asset test, as well as creating the Statewide Enrollment Center as a step towards creating a centralized eligibility system. However, there is still much more needed in order to create a system that is truly accessible by all New Yorkers.

- **Create an application for the Exchange that is simple and user-friendly.** There should be one application for all programs in the Exchange – public or private – that can be easily completed by consumers. Much work has been done to make the current application for public coverage more user-friendly, but it remains a lengthy, repetitive and confusing document. The ACCESS NY application is 15 pages long in small font, including the complicated instructions. Without assistance many consumers are unable to complete the form correctly –either giving up or submitting incomplete forms – which leads to increased administrative work on the part of the counties and state in addition to the delays in obtaining coverage for the consumer.

It is imperative that a simpler application be created in order to maximize the number of people who can access health coverage. This will also create efficiencies in the processing of applications, reducing the need to send back incomplete applications. There should be extensive consumer testing performed on the application to ensure that it is comprehensible and that it meets the needs of the consumers as well as the state.

- The Exchange should build off of the Statewide Enrollment Center and create a **centralized eligibility system**. The county-based system currently in effect results in inconsistent eligibility determinations, confusion and a lack of state accountability. A centralized system will not only improve efficiency but allow for the development of options, such as telephone renewal, that will help New Yorkers obtain and keep health coverage.
- Create an Exchange that **allows individuals to move smoothly and seamlessly between private and public coverage**. Many families will move from one type of program to another based on their employment and income status, or have different members of the family enrolled in different programs at the same time. To ensure that no one falls through the cracks, it is imperative that the private and public health coverage programs are coordinated and aligned in a way that allows for a person to switch programs easily without bureaucratic obstacles that would lead to gaps in coverage.
- **Align the coverage dates** for all members of a family to be consistent, regardless of the type of coverage in which each individual is enrolled. By doing this, it will not only help

prevent families from losing coverage at renewal because of confusing coverage dates, but it will streamline and simplify the administrative work on behalf of the state.

- **Greatly improve the technology available** for eligibility and renewal both for conducting data-matching and for submission and approval of applications. A technologically efficient public health insurance infrastructure is the only way to ensure the Exchange is designed in a way that meets the needs of New Yorkers and is cost-efficient.
- **Build upon and strengthen the community-based work of Facilitated Enrollers.** The ACA requires the Health Exchange to fund “navigators” to conduct public education and outreach, provide impartial information about health plans, facilitate enrollment and provide referrals for consumer assistance all in a culturally appropriate manner. The existing community-based facilitated enrollers already do much of this work and can provide significant insight into the barriers faced by members of their local communities.

The Navigator program set up under the Exchange should build upon and incorporate the work of the community-based facilitated enrollers. Most importantly, with the implementation of the ACA and the individual mandate it will be critical to conduct effective outreach into the different communities across New York State. Facilitated enrollers are already doing this, despite the lack of funding for this purpose. The community-based programs are best poised to understand the challenges faced by specific communities and to help them navigate the new Exchange.

Thank you for the opportunity to submit this testimony. We strongly urge the state to continue to seek public input and to engage consumers in the design and implementation of the Exchange.

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