



American Cancer Society ✕ Children's Defense Fund/New York ✕ Community Service Society of New York ✕
Make The Road New York ✕ 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

Health Care For All New York
Testimony to
the New York State Department of Insurance
on the Establishment of a Health Insurance Exchange in New York State

May 16, 2011

Health Care For All New York (HCFANY) thanks Governor Andrew Cuomo, the New York State Departments of Health and Insurance for holding public forums to permit stakeholders to present ideas on the establishment of a Health Insurance Exchange in New York State.

HCFANY is a statewide coalition of over 115 organizations committed to winning quality, affordable health coverage for all New Yorkers. We strive to bring consumer voices to the policy conversation, ensuring that real consumer concerns are reflected. We also provide expert policy analysis, advocacy, and education on important health reform issues and policies that affect New Yorkers around the state. For more information on HCFANY, visit our blog and website at www.hcfany.org.

HCFANY has adopted five standards for a New York State Exchange to ensure quality affordable health care for all. A complete version of HCFANY's Five Standards For a Consumer-Friendly Exchange are attached to this testimony. Our testimony today is based on these standards.

New York Should Pass Exchange legislation This Year

HCFANY urges the New York Legislature to adopt Exchange Legislation during the 2011 Session, which ends on June 20, 2011. Several key governance issues must be addressed in this bill, including: whether the Exchange should be run by a government agency or nonprofit; who should serve on the Exchange board; and how the Exchange should be funded.

The Legislature should establish a government-run Exchange. A not-for-profit entity will not have governmental accountability or transparency and would not be trusted by the general public with making adjudicatory decisions or handling confidential information. While HCFANY



would be comfortable with either an Exchange housed in an existing governmental department or a public authority, it appears that a public authority does have some significant advantages, including enhanced flexibility in procurement and other rules, singularity of mission, and freedom from conflict of interest between regulatory and contracting roles.

HCFANY urges the Legislature to adopt a Board governance model in which the Board has seven members, appointed by the Governor, upon advice and consent of the Legislature. We believe the ideal Exchange Board would have three Ex Officio Members: the Superintendent of Insurance, Commissioner of Health, and Medicaid Director; and three to four members who represent the fiduciary interests of consumer and employer purchasers and who have demonstrated knowledge and expertise in matters such as insurance coverage, public health, and health care finance. The non-governmental members of the Board should: reflect diversity of expertise; reflect the gender, racial and ethnic and geographical diversity of the State; and not have any conflict of interest. In addition, the Board should establish an advisory committee that represents the views and knowledge of interested parties who might be precluded from Board service by their conflicts of interest and to more fully represent the diverse interests of New York's stakeholders.

Finally, the Exchange should be funded through a universal method of assessment/taxation. The Exchange will be performing governmental functions which benefit the entire state, and it would be counterproductive to burden only products in the Exchange with the costs of performing those functions. The Exchange must be generously funded to be effective in its role.

One Statewide Exchange For All

HCFANY urges the Legislature to establish a single, statewide Exchange that pools all risk, including public and private, small group and individual, and coverage inside and outside the Exchange. With hundreds of thousands of participants, a New York Exchange should have a significant market power to help bring down prices for the people who use it.

New York should establish its own exchange rather than cede its authority to the Federal Exchange. A federally-run Exchange, or a multi-state Exchange, would make it impossible to maintain the high regulatory standards of New York's insurance market. Setting up regional Exchanges – two or more separate Exchanges to cater to different areas of the state – would attenuate the state's market share and risk pool, limiting the ability of the Exchanges to negotiate with insurers, and potentially increasing the effects of adverse selection in certain areas of the state. The state should integrate public and private coverage and pool risk inside and outside of the Exchange to the maximum extent possible. New York's Exchange should also merge the individual and small group markets to ensure affordability for all and ensure that individual purchasers have meaningful access to a full range of insurance products.



An Exchange that Offers Quality and Affordable Benefit Packages

Exchange implementation legislation should prioritize creating quality and affordable benefit packages to all consumers. One way to maximize value and consumer protections for New Yorkers is by assuming the role of active purchaser. The appeal of the concept of the Exchange is that it creates market bargaining power, through aggregation, for the individuals and small businesses that traditionally had none. New York's Exchange should leverage its market share and utilize an aggressive bidding process, or actively negotiate with plans to ensure that consumers receive the highest value for their money.

An Exchange that is easy to Navigate and Represents Consumers

The Exchange must be easy to navigate, offer smart and comprehensive enrollment guidance and assistance, and truly represent the interests of consumers. HCFANY firmly believes that New York should establish a “no wrong door” policy for its Exchange. The Exchange should also include well-funded Consumer Assistance and Navigator programs that build on the State's existing foundation of enrollment and consumer assistance providers. The Exchange should develop a robust training and certification program that prepares Navigators to help consumers with public and private coverage, applying for subsidies, and referring consumers for help with plan navigation and other more complicated problems. HCFANY also supports the ACA's conflict of interest provisions. Carriers and entities receiving direct or indirect compensation from carriers should be prohibited from also receiving Navigator grants.

An Exchange that Builds on the Success of New York's Public Programs

New York has been a leader state in developing strong public programs. The Exchange should leverage and strengthen these programs to extend quality, affordable coverage to more New Yorkers. New York can continue that tradition by considering the adoption of a Basic Health Program. With or without that program, we must recognize that many New Yorkers are likely to migrate between public and private coverage as their circumstances change, and that even members of the same family may split between public and private coverage. Public coverage and the subsidized commercial products must be integrated as much as possible.

Some important ways to realize this goal include: simplification of eligibility and enrollment procedures for public coverage; centralizing all eligibility systems; adopting a simple, easy to use Modified Gross Income system for eligibility; ensuring accessibility for limited English proficient and disabled consumers; seeking federal permission to use less-than current tax data for eligibility determinations and sampling methodologies to comply with federal quality assurance standards; and ensuring that family coverage dates align, regardless of whether individuals in the family have public, subsidized coverage, or a combination of the two.



An Exchange that Supports Principles of Health Equity

New York State, in setting up an Exchange, will have many opportunities to use the design of the Exchange to reduce health disparities. HCFANY urges the Legislature to consider the many ways in which it can reduce disparities that impact consumers based on race, ethnicity, disability status, gender, sexual orientation, language, and age. The Exchange should eliminate barriers that prevent consumers from enrolling in and retaining public coverage, which have disparate impacts on communities of color and people with disabilities. The Exchange should ensure that all interactions with consumers are conducted in a linguistically and culturally competent manner, and that consumers with disabilities are able to access all Exchange services. Implementing a single, statewide Exchange will make it simpler to collect data that can be used to identify and address disparities. Maintaining New York's community rating rules in the Exchange will prevent price discrimination against older consumers.

Thank you for the opportunity to submit this testimony. Should you have any questions about HCFANY, or our testimony, please contact Jessica Wisneski at jwisneski@citizenactionny.org or (845)901-0264.