Testimony of the Commission on the Public's Health System (CPHS)

May 18, 2011

State Insurance Department Hearing on the Health Insurance Exchange

Thank you for this opportunity to testify today on a very critical topic – the state's development of a Health Insurance Exchange under the federal health care reform law. The critical nature of this issue relates to an opportunity to have a fresh beginning to change and "clean-up" the current problems and barriers in applying for and obtaining health insurance coverage.

The Commission on the Public's Health System is a community-based, citywide membership health advocacy organization with a mission to "fight for equal access to quality health care services for everyone regardless of race, ethnicity, language spoken, diagnosis, or the ability to pay." We believe that "the public should be put back in public health."

CPHS has a great deal of experience in working with Medicaid beneficiaries and with people who are uninsured. We have provided training sessions for community-based organizations on "How to Help the Uninsured," and from this experience, in particular, we know how difficult it is to reach people who are otherwise eligible, but do not apply for public health insurance programs. There are a myriad of barriers that are placed in the way for people who: work long hours, have limited tolerance for dealing with bureaucracies, are immigrants and not used to the customs in this country, speak a primary language other-than-English.

CPHS has also worked with people who have private insurance and either do not know how to use it or do not have access/coverage for the services that they need. There are many people who do not travel outside of their community and therefore would not go someplace to apply. For many, the cost of coverage is way beyond their reach. Being close to communities, understanding people who live there, and involving the residents in ways to design what works with and for them, should be a key strategy that the State should follow. There are many great designs that don't work because they are not relevant to their communities.

Reminder: computer/internet availability is not universal so relying on internet applications as a major source of enrollment leaves out large numbers of people that are unable to use this resource. Complex internet applications, with many complicated and intimate questions, can also be a deterrent for even sophisticated computer users. An application of more than one page is probably a major deterrent to people applying.

This is particularly true if the application and instructions is only available in English and the reading level is targeted too high for many people.

All of the factors detailed above lead us to make certain recommendations that we hope are incorporated into the New York State Health Exchange.

- The Exchange should be an open door, with one door, for all types of health insurance coverage.
- We strongly recommend that there be a statewide exchange, but that it must have local, regional offices to provide assistance, particularly in applying for public insurance coverage. There should be contracts with community-based organizations, along the lines of the Facilitated Enrollers, to assist people with information and filling out of forms. These cbo's should be of the community, speaking the language(s) of the community and understanding the culture of the community.
- With so much at stake in this venture, the Exchange must be designed with public accountability and transparency. A public benefit corporation is probably the most suited to guarantee this openness. However, the strength of the Exchange depends on the way that the enabling law is written, so that that process should be open to public discussion. Membership such as that of the Medicaid Redesign Team is entirely inappropriate, and should be avoided at all costs. The political nature of the MRT has led to deal-making and conflicts of interest that are potentially very hurtful. This must be avoided at all costs.
- The board of the Exchange must be set up to reflect the population of the state: racially, ethnically, economically and in other ways such as age and disability. There is great need for wisdom in advice and governance which is often missing from such boards. It would be very unfortunate to follow that same path in setting up the Exchange.
- It is important to strongly consider setting up a public option insurance product as a means of offering an insurance product that is within the financial means of a majority of residents and their families. Competition from the public sector on controlling costs, access, and quality is an ideal option for the state.
- Any and all participating insurance products in the Exchange must be open and willing to accept anyone. In other words, all insurance companies in the Exchange should also be willing and open to enroll Medicaid, Family Health Plus, and Child Health Plus beneficiaries.

- Understanding health insurance coverage and what is provided within a policy is very difficult for most people. In order to make the process less confusing, the Exchange should be determining a certain number of insurance products that offer the broadest range of services within communities, and the best record of being consumer friendly.

- The state should be evaluating the network providers within an insurance option for: quality, for services covered and available; for availability of primary and specialty providers; and for ability to support the health care safety net and ensure continued adequacy of provider availability in low-income, medically uninsured, immigrant and communities of color.

- Of particular importance, is the need to plan for the Exchange to offer a state-only coverage plan for people who are income eligible, but otherwise ineligible for coverage under ACA. This is very important for large numbers of immigrants in this city/state who would be left behind because of limitations and restrictions on their eligibility.

- It is also critical for New York State to finally correct a long-time inappropriate use of public funds. Even in the good financial times, allocation of dollars from the State's Charity Care pool was not accountable and relied on an antiquated accounting methodology. Unless the State, in consultation with many advocates who have been working on this issue for a very long time, changes and corrects the allocations of these funds, New York stands to lose hundreds of millions of federal DSH dollars. Loss of these funds would further threaten health care safety net providers and place more barriers to care for the uninsured residents of our state.