

Metro New York Health Care for All Campaign

The Community-Labor Coalition for Universal Health Care

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Testimony presented to New York State Insurance Dept. at a Public Forum on Establishment of a Health Insurance Exchange in New York

**Wednesday, May 18, 2011
Baruch College, New York City**

Good morning, and thank you for allowing me to testify today.

My name is Mark Hannay, and I am Director of the Metro New York Health Care for All Campaign, a citywide coalition of community groups and labor unions that fight for universal health care for all New Yorkers and all in America. We are also a member of the Steering Committee of Health Care for All New York, a statewide coalition of over 100 groups who advocate for health care reform in the halls of Albany and with our state's Congressional delegation.

A little over one year ago, after 15 months of debate, Congress and President Obama enacted the historic Patient Protection and Affordable Care Act. After nearly a century of struggle, the United States finally joined all other advanced democracies to move toward a guarantee health care to all members of our society. This goal is advanced through a partnership with states, which are called upon to carry out many of the law's provisions, and are provided new opportunities and resources to move forward.

As Governor Cuomo correctly reminds us, New York has a proud tradition of being in the forefront of states, particularly concerning public health and health care. Many innovative and progressive aspects of our nation's health care and coverage system have their roots here in New York. Indeed, to a very significant degree, the Affordable Care Act catches the rest of the nation up to where we have already been for some time.

One of the key components of the Affordable Care Act are new state-based "health insurance exchanges." Done correctly, these exchanges can be new competitive marketplaces where individuals, families, and small business can join forces to obtain comprehensive, quality health coverage and care at an affordable price, and to get help when troubleshooting is needed. Here in New York, tens of thousands of New York families and small businesses stand to benefit. Further, if we set up our own exchange right and think strategically, we can use it as a springboard to advance toward true universal coverage, just as Vermont and Connecticut are contemplating, thereby maintaining our tradition as a "leader state" in health care.

Through our statewide coalition, Health Care for All New York, we look forward to working with Governor Cuomo and the State Legislature in the very few remaining weeks of the legislative session to craft forward-thinking legislation to set up a new health insurance exchange for New York this year, and to define an open and public process for resolving all the necessary and very complicated health policy issues involved so that recommendations can be developed before next year's legislative session.

These issues include:

- Overall function of exchange: clearinghouse vs. selective contractor vs. active purchaser – We strongly urge that New York's exchange act as an active purchaser in the marketplace.
- How to best guarantee that our exchange is publicly operated or administered – We urge that this be a fundamental characteristic of New York's exchange.
- Integrating public insurance programs and private commercial insurance plans – We urge seamless integration to assure continuity of care and coverage.
- Creating a new “Basic Health Plan” option for low-income, working poor individuals and families – We urge this option be pursued.
- A new public health insurance option universally available for all consumers, businesses, and employers – We strongly urge this idea be implemented.
- Maintaining the state's current comprehensive benefit mandates, including full reproductive health care services – Regardless of how an “essential benefits package” may be ultimately defined under federal law, we urge New York to continue its current benefit mandate, except where changes in the practice of medicine may indicate updates.
- Maintaining the state's system of pure community rating of insurance premiums – We strongly urge the state continue this fundamental commitment to justice and consumer protection.
- Measures to prevent adverse risk selection and spreading risks and costs across one large pool – We urge the state to take all steps to balance out risk both inside and outside the exchange, and to create as large a “pool” as possible to share and spread risk and costs.
- Merging the small group and individual markets and raising the size of the small group market to 100 employees – We urge the state to undertake these measures.
- How and when to open up our exchange to larger employer groups and trade unions – We urge the state to do so as soon as logistically feasible.
- Coverage and access for all immigrants – we urge that an exchange serve all New Yorkers, and wrap-around to fill-in the gaps in federal law with regard to immigrants' access to coverage and services.
- Promoting health equity and addressing health care disparities based on race, ethnicity, gender, disability status, sexual orientation, and gender identity – We urge that, among its other goals, our exchange be used to leverage progress in these areas.

- The role of consumer assistance programs, navigators, and insurance agents, brokers, producers vis-à-vis an exchange
- Regulation and oversight responsibilities of insurers and health plans vis-a-vis similar existing programs within the State Dept. of Health, the State Insurance Dept., and other state agencies
- Financing authority for the exchange
- Health plan certification, rules, and negotiations

In sum, we urge Governor Cuomo and the State Legislature to pass an initial exchange bill this session, to include diverse consumer and small business involvement in the planning and operating of a new health insurance exchange, and to include strong conflict of interest standards in its governance provisions. As part of this legislation, a clear process with strict timelines must be defined to resolve all the necessary policy issues before next year's legislative session.

Further, the mission of New York's exchange must be clearly defined as one of "going to bat" for consumers and small businesses in our state's health insurance system and marketplace, and not to just enhance and reinforce industry dominance and profit-making. The last thing New Yorkers need is to simply recreate our currently dysfunctional and unjust health insurance system all over again but in a new form. Rather, we need our new exchange to be a true "game changer" in the health insurance world for New Yorkers, our families, and our small business community, as is envisioned in the Affordable Care Act.

In closing, we urge that, overall, the Administration and Legislature think boldly and not timidly about building and operating a new health insurance exchange for our state. Yes, the state has certain obligations under the Affordable Care Act or else the federal government can and will step in to carry them out. However, the new federal law is but a new platform, not a ceiling, for states, and "leader states" like New York can and should go farther, just as our neighbors in Massachusetts, Vermont and Connecticut are envisioning and doing.

If we think boldly, New York can operate an exchange that not only represents the public interest vis-à-vis the insurance world, but also vis-à-vis the provider world to drive improved value, quality and efficiency, and better control cost growth. And we can grow an exchange over time that pools risk and costs across the largest group possible, and using that pool to move toward a true universal health care program starting in 2017 when federal waivers become available.

Used in the best way, the Affordable Care Act provides a new golden opportunity for New York to seriously address our historic health care and health insurance crises if we rise to the challenge and seize the moment. Done correctly, a new health insurance exchange can be a fundamental tool in that effort, and we CAN assure comprehensive, quality, affordable, and accessible health care to ALL New Yorkers. We stand ready to work with all leaders in our state government toward that goal. Last year, President Obama and the Congress did its job; now it's our turn. We urge New York to get going this year, and to think boldly and visionary.

Thank you again for this opportunity to comment. Please feel free to call on us at any time.