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Ms. Donna Frescatore
Executive Director
New York Health Benefit Exchange
Executive Chamber, Room 248
Albany, NY 12224

Ms. Danielle Holahan
Project Director
Health Benefit Exchange Planning
New York State Department of Health
90 Church Street, 14th Floor
New York, NY 10007

Dear Ms. Frescatore and Ms. Holahan:

The New York Health Plan Association (HPA), representing managed care plans across New York State that include commercial health plans, those providing coverage in government programs and managed long term care and special services (behavioral health, dental, radiology, etc.), have been active partners with New York in ongoing efforts to expand access to care and coverage. HPA members currently provide health care coverage for more than seven million New Yorkers covered by fully-insured, state regulated policies, and nearly six million other New Yorkers enrolled in ERISA-regulated self-insured plans.

HPA and its members support the goals of a health insurance exchange as required by the federal Affordable Care Act (ACA) and have been active participants in New York State's process of convening stakeholders to seek input on the multiple elements of the ongoing planning for a New York State Health Benefit Exchange (Exchange). As we have repeatedly noted through these sessions and other discussions with the administration, the issue of affordability is of paramount importance in developing the Exchange.

We appreciate the opportunity to provide our comments on the August 2nd session during which Milliman presented on its study of Essential Health Benefits (EHB) and the next step, the decision of an EHB benchmark plan. That said, the materials presented during the session and the additional materials from the Milliman Essential Health Benefits analysis result in more questions than comments on our part.

The ten categories of items and services identified in the ACA that must be included in the definition of the EHB are, by most anyone's standard, quite comprehensive. Layering New York's existing mandated benefits makes the starting point for any benchmark plan more extensive and, thereby, more

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expensive. As stated in the Milliman presentation on August 2nd, EHB refers to covered services, not cost sharing. However, consideration of a benchmark plan presumably would include contemplation of various cost sharing mechanisms to begin to address the affordability issue. Reviewing the additional materials provided on the Milliman EHB analysis it is unclear if the study included this crucial component. And, if so, what cost sharing variations are being weighed.

A couple of key questions relate to the following:

- Milliman's Study — Although Milliman noted that its study focused on the evaluation of benefits and not cost sharing — a function to be addressed in development of the metal tiers — the exact parameters of the Milliman study remain unclear. The additional material exhibits provided from Milliman's analysis appear to be partial, with the PDF page numbers indicating significantly more pages than those posted online. The grid of covered services showed little if any variation in benefits between the potential benchmark plans. Since a comparison of the plans would need to consider additional variables, we request a complete set of the components used to produce the evaluation. Plans need to understand the various elements and how they were weighted to arrive at which plan design makes the most sense.
- Cost sharing — As stated above, the additional materials related to the Milliman EHB analysis do not make clear if cost sharing was part of the study and, if so, the extent of the evaluation and the weight given to various options. Moreover, more insight from the New York Health Benefit Exchange as to what mechanisms might be considered is also needed in order to comment on the benchmarks under consideration. For example: will plans be allowed to use tiered networks; will differing co-insurance levels be permitted; what deductibles are acceptable.

The key to any and all health benefit designs is affordability. This is perhaps even more so the case in developing products to be offered through New York's Exchange. In the general discussion about the ACA, it is worth noting that analysis by the Congressional Budget Office has indicated more than 40 percent of people purchasing coverage in the individual market today would be ineligible for premium subsidies for coverage offered through Health Insurance Exchanges. This underscores the need to ensure affordability of the EHB and the products available through New York's Exchange. HPA and its member plans are committed to working with you to reach this goal and guarantee the success of the ACA.

Sincerely,



Paul F. Macielak
President & CEO