Testimony of New York City

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Public Forum on the Establishment of a Health Insurance Exchange in New York State

New York City Forum
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Good morning, my name is Tamiru Mammo, Senior Advisor for Health Policy in the New York City Mayor's Office, and I am pleased to be here today speaking on behalf of the City of New York.

New York City, with nearly half the state's population and more than a million residents who lack health insurance, has a strong interest in the development of an effective Health Insurance Exchange. We appreciate that many of the design issues are complicated, and that planning is particularly challenging in the absence of detailed federal guidance and as the State simultaneously takes on ambitious and high stakes redesign of our Medicaid system. Regardless of the challenges, however, basic legislation establishing the Health Insurance Exchange and authorizing planning and implementation activities must be enacted this session, before New York loses out on early rounds of federal Exchange Establishment money and before time runs out to build the kind of Exchange that New Yorkers deserve.

At this early stage of planning, I want to touch on just a few key issues of critical importance to New York City. First, while we acknowledge that a statewide Exchange infrastructure is probably necessary to ensure economies of scale and efficiency, the framework of any Exchange must allow for regional variation in implementation and regional representation in Exchange decision making. Second, the outreach, customer service, and enrollment functions of the Exchange are critically important to its success. These functions must be adequately funded, well planned, and they must leverage existing resources and tools around the state. They must also take into account and coordinate with existing outreach and enrollment mechanisms, and they must be culturally competent and appropriate for the incredibly diverse population that resides in New York City. Third, health care delivery systems are local and regional, and we believe Health Insurance Exchanges may offer opportunities to encourage high-quality care that improves population health. Efforts to improve health care quality including through health plan quality measures and quality improvement projects should be robust and coordinated among State, Exchange, and local health officials, so that particular health care challenges in different parts of the State can be addressed with all levels of government working towards shared goals.

We acknowledge that some of the functions of the Exchange are best addressed on a statewide basis, and, if authorization can be accomplished this legislative session, we support

a statewide Exchange infrastructure with strong regional components and representation. There are many models for statewide entities with critical regional components, including the regional councils of the New York State Economic Development Council and the Regional Advisory Committees of the Commission on Health Care Facilities in the Twenty-first Century (the Berger Commission). New York should embrace a similarly geographically-nuanced approach to Exchange establishment and administration to maximize flexibility, quality, and efficiency.

Regional input and flexibility would be especially beneficial to such Exchange functions as: public outreach and enrollment efforts, including coordinating locally-administered benefit programs with Exchange enrollment whenever possible; ensuring health plans include essential community providers that serve predominately low-income, medically underserved populations; and implementing quality improvement strategies particular to each region. Similarly, a statewide Exchange should leverage and support local resources and expertise for certain functions, particularly in instances in which the unique make-up of a region's population requires the provision of specialized assistance. For example, New York City's 311 provides information on services in over 170 languages to meet the unique needs of its diverse population. More generally, New York City has a set of city-specific assets and technology initiatives that could be advantageously leveraged by the Exchange including partnerships with a range of organizations, including community-based groups as well as local business improvement districts, business groups and organizations serving freelancers; ACCESS NYC, a City funded system that allows residents to pre-screen themselves and HHS Connect, the system that powers ACCESS NYC and allows workers across agencies to share data; and NYC Health Insurance Link. New York City has made a considerable investment in technology that has allowed for these as well as the streamlining of many other functions. Our technological infrastructure is an invaluable and critical resource that can and should be integrated into the exchange. These and similar resources can be utilized regionally to fulfill the Exchange's functions and goals.

The Navigator program is a critical component that will provide outreach, education and enrollment assistance for individuals and small businesses seeking to purchase coverage in the Exchange. Due to familiarity with their populations, regionally-established Navigator programs would best be able to perform these duties, leveraging existing local resources.

The New York City Human Resources Administration recently published a report, “Health Care Reform at the Local Level: Framework for a Navigator Program in New York City,” which recommends the creation of a discrete Navigator program in NYC. Given the diverse population and language needs of New York City residents, a local/New York City Navigator program would best be able to perform duties in a culturally and linguistically appropriate manner while leveraging the previously mentioned available local resources.

New York has an opportunity to expand coverage with federal subsidies, and it is critical to maximize this expansion for the health of our residents and for the continued strength of the providers in our health care delivery system. Strong enrollment requires not only open policies but also strong outreach and an enrollment assistance infrastructure as well as strong systems to ensure program integrity and prevent fraud and abuse. The city and state have achieved especially high coverage rates in New York City among children—only 4.5% of children in New York City are uninsured. It is crucial that these coverage gains are sustained. We should build on this success by having the Exchange target key populations for enrollment, including those eligible for public health insurance but not enrolled; individuals newly eligible for expanded public health insurance; uninsured who are eligible for subsidized and unsubsidized individual private health insurance in the exchange; or insurance available to workers in small businesses in the SHOP exchange.

In addition to consumers, hospital providers are especially dependent upon successful efforts to expand coverage, as the federal government will gradually reduce Disproportionate Share Hospital (DSH) payments to hospitals providing services to low-income and uninsured patients. Currently, the NYC Health and Hospitals Corporation (HHC) provides health care services to 1.3 million patients annually, including over 450,000 uninsured. As a result of HHC’s crucial mission to provide care to New Yorkers, regardless of their ability to pay and its significant role as a provider of outpatient care, the system operates with an unsustainable and growing structural budget deficit of hundreds of millions of dollars even after ongoing efforts to reduce the deficit by $500 million. A February 2011 United Hospital Fund report also reported that six hospitals in New York City closed between 2006 and 2009 and nearly one-third of the remaining NYC hospitals continue to be in jeopardy. A successful Exchange could help reduce the financial burden of hospitals and other providers who have traditionally served under- and un-insured City residents, including undocumented individuals whose

health coverage needs are not addressed in the Affordable Care Act."

While there are major advantages to allowing local operation of Navigator programs, the State can structure these outreach and enrollment programs in a way that would be more attractive to potential administrators at the local level. The activities of Navigator programs should be fully funded by the Exchange, and it is important for the State to commit to ensuring the long-term funding of the program. Without sufficient funding the Navigator will not be able to effectively carry-out its enrollment-related functions—outreach, education, and facilitated enrollment. These functions are critical to ensuring Exchange sustainability through adequate enrollment, particularly of young, healthy adults. Ensuring robust enrollment through sufficient funding is also in the interest of the insurance companies operating in the Exchange, who will be providing the bulk of this funding through fees.

These are just a few key issues that we believe must be addressed or facilitated in basic Exchange legislation. We look forward to reviewing draft legislation in the very near future.

Thank you.