

AFFORDABLE AND COMPREHENSIVE UNIVERSAL HEALTH CARE COVERAGE **Empire State Economic Security Campaign**

The Challenge

The number of New Yorkers without health insurance has increased by 0.8% to 13.6% according to the latest data. An estimated 2.6 million New Yorkers lack any health insurance at any moment – a number that almost doubles if one looks at the number of New Yorkers without insurance at some point during the year.

The recent federal health care legislation did little to control the health care costs that are a major factor in the soaring state budget deficits and overwhelming consumers, taxpayers and employers. The legislation will leave more than twenty million Americans without any health insurance and require far more to spend funds they don't have to pay for inadequate health insurance. The legislation failed to make health care a right. Many of the benefits from the recent health reform will not take place for at least three years.

Insurance drives up the cost of health care to pay for their overhead, profits and marketing costs while restricting individuals' access to health services in order to protect the companies' profits. Instead of eliminating health insurance, Congress required every American to purchase insurance – through a Health Insurance Exchange which provides sliding scale subsidies for those with incomes under 400% of the Federal Poverty Level (\$88,000 per year for a family of four) if they don't get it from an employer or the government – or pay tax penalty.

Many health care reform groups will continue to push New York to adopt a single payer Medicare for All type program though federal waivers would be needed; others will seek to create a public option in the Exchange. In 2007 the State Legislature agreed to provide funding for an impartial cost-benefit analysis of the best way to provide health care to all New Yorkers. The report by the Urban Institute, released in July 2009, found that single payer was the best. Savings from single payer substantially increase over time. By 2019, single payer would save \$20 billion annually based on the report's projected 6% annual increase in baseline health care cost – and \$28 billion compared to the insurance mandate Congress adopted.

Despite having some of the best medical professionals, hospitals and equipment in the world, the U.S lags behind many other countries on basic public health indicators such as life expectancy and infant mortality rates. Our overall quality is only ranked 37th by the World Health Organization. U.S. spending on health care is now over 2.5 trillion dollars – \$8,000 per person. This is more than double the world average of \$2,571. This amounts to a whopping 17.7% of our GDP on health care – far more than any other country – which puts our businesses at a competitive disadvantage in the international marketplace. Increases in health care costs thwart job growth, suppress increases for current workers, weaken the viability of pension funds, and depress the quality of jobs.

What the Public Thinks

Most Americans feel that the recent Congressional health care reform did not go far enough in solving the nation's health care crisis. Americans who think the law should have done more outnumber those who think the government should stay out of health care by 2-to-1.¹

Massachusetts is the one state that has adopted the insurance mandate being pushed in Congress. Voters there overwhelmingly prefer single payer to insurance mandates. Massachusetts voters, for the second straight election, by 63.5% to 36.5%, supported single payer in the fourteen districts (covering 80 cities and town) where there was a referendum on the ballot this November.²

ES2 Policy

ES2 supports a universal health care system to provide quality, comprehensive health care service to all New Yorkers. The most common sense solution is a single payer financing system, similar to Medicare for All. This system, used by almost all of the other industrial countries, eliminates the huge waste and paperwork of the private health insurance system. It should include long term care.

¹ <http://www.cbsnews.com/stories/2010/09/25/ap/politics/main6899946.shtml>

² <http://masscare.org/announcements/single-payer-ballot-questions-pass-in-all-fourteen-massachusetts-districts/>

The 2011-2012 Session

ES2 supports implementing the federal health law changes, as flawed as they are, to strengthen consumer rights and increase access to affordable care. Under the Affordable Care Act (ACA), New York must create an insurance Exchange, a statewide marketplace for health insurance. We support the following five standards for the exchange: One statewide Exchange for all; An Exchange that offers quality, affordable benefit packages; An Exchange that is easy to navigate and represents consumers; An Exchange that builds on New York's public programs; and An Exchange that supports principles of health equity.

In preparation for this Exchange New York should merge the individual and small group insurance markets. The individual insurance market in New York is no longer affordable, due to rising prices and a shrinking risk pool. Merging the individual and small group markets would ensure the largest risk pool possible and the best pricing of insurance products for consumers.

New York should also:

- Eliminate documentation of income and residency at Medicaid application. Requiring applicants to provide proof of residency, income, and deductions, is a bureaucratic obstacle to enrollment. The State should extend self-attestation at application as they have already done at renewal.
- Eliminate the resource test for SSI-related people who apply for community Medicaid. New York recently removed the resource test for most public insurance applicants. Yet, SSI-related Medicaid beneficiaries continue to be subject to the resource test. SSI-related people may be expensive for the State to cover, but there is no evidence that they have more assets. The test remains an administrative barrier that rarely disqualifies people.
- Permit immigrants to prequalify for ER Medicaid. Emergency Medicaid is available to all low-income New Yorkers, regardless of immigration status. To get coverage, an attending physician must certify that the person has a medical condition that meets the definition of an "emergency."
- Improve transparency in the Bad Debt and Charity Care pool. New York's hospitals receive \$847 million in Bad Debt and Charity Care (BDCC) funds to help pay for the cost of providing health care for uninsured and underinsured New Yorkers. 100% of BDCC hospital payments (rather than the present 10%) should be directly linked to actual services provided to uninsured patients.

Long Term Care

- New York should take advantage of the increased federal funding reform for community based long term care (e.g., a 6 percentage point increase in federal matching funds for Home and Community Based Services and a 2 percentage point increase in federal matching funds) for a State Plan to move towards reducing institutional care and increasing home and community based care and services. ES2 endorses the proposals of the NY Association for Independent Living to reduce state spending and promote the independence and integration of seniors and people with disabilities which could save \$44 million in Medicaid state share this year and more than \$1 billion over five years. A significant reason that New York's long term care system is so expensive is that it remains unnecessarily biased towards institutional care at a time when other states have reduced Medicaid costs by rebalancing their Medicaid programs to provide care in the community where people wish to receive it.

Protect Vulnerable People in Redesigning Medicaid: Medicaid is a critical program for low income, disabled, and elderly individuals. The Governor has submitted a FY 2011-2012 budget which assumes unspecified Medicaid savings of \$2.85 billion that will either come from a Medicaid Redesign Team established pursuant to Executive Order Five or some combination of provider rate cuts or service cuts to beneficiaries that the Administration imposes. ES2 supports Medicaid Redesign that would improve care while achieving cost savings, but opposes the imposition of a savings target dictated by an unfair budget process. As it seeks to reform Medicaid, New York can and should look to models of care that have worked and have helped reduce expensive hospitalizations and emergency room visits. Vulnerable people can benefit enormously from coordinated care that addresses medical and social case management, integration of mental health and medical care, resources for housing, health disparities, accessible primary care and rebalancing of long term care.

However, we have serious concerns about the expansion of the current managed care model. One in three managed long term care members files complaints with fewer than half of the complaints (41.5%) resolved satisfactorily from the members point of view. ES2 urges the state to promote the independence and integration of seniors and people with disabilities by:

- Shifting people and service dollars from institutions to community based settings
- Taking advantage of federal health reform incentives that support home and community based services
- Transitioning from a medical model to a consumer directed, patient centered model

We endorse the specific recommendations for \$44 million in state share savings and more than \$1 billion in long term care Medicaid savings over 5 years of the NY Association on Independent Living.