

Baruch College of Public Affairs

Overview of Health Reform Proposals & Polling Data for New York State

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Presentation Outline

- Overview of New York's reform process & uninsured
- Review of New York State health reform proposals
- New York State polling results
- Review State-based health reform issues

What's the New York Reform Environment?

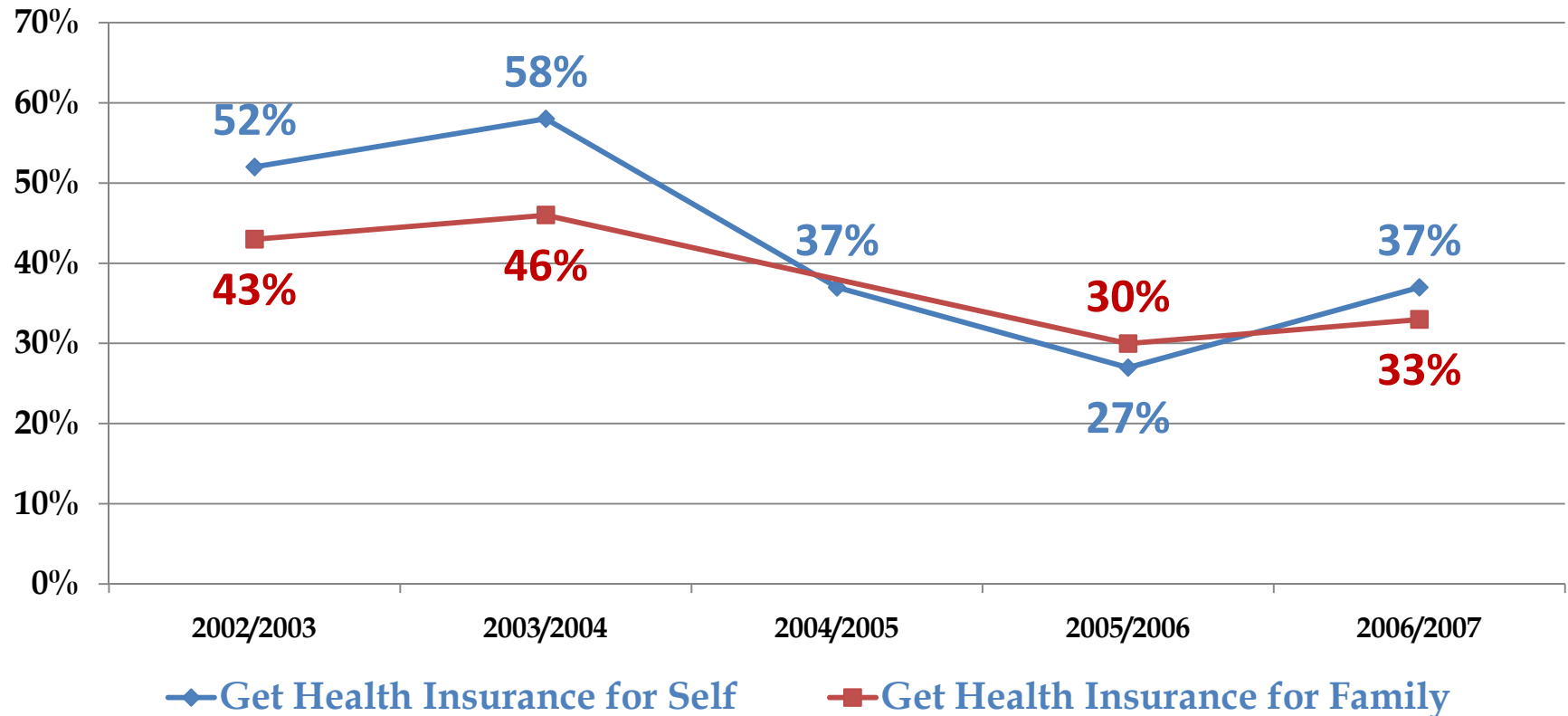
- National conversation; other States are moving forward
- Spitzer campaign promise for universal health coverage
- 2007 budget set roadmap for NY health reform conversation:
 - CHPlus expansion
 - Urban Institute Study
 - Partnership For Coverage Hearings
- Sense that it's "Doable" v. financing issues, given economic downturn
- Paterson's views on this issue?

New York's Uninsured

- Currently 2.5 million (13%) New Yorkers are uninsured, even though NY spends more per capita on health than any other state in the nation (\$125 billion)
- Uninsured more likely to be:
 - Adults, 2.1 million (18%)
 - Poorer, 49% of uninsured adults are below 200% FPL
 - Immigrants, 30% of uninsured adults are non-citizens
 - Downstate
 - 54% of uninsured live in NYC; 46% live in rest of state
 - Men, but the gender difference is because women more likely to have public coverage

NYC, like rest of the United States, is experiencing declines in Employer-Sponsored Insurance (ESI).

Percent of Poor Full-Time workers Receiving ESI for Self and Family.



Source: Unheard Third 2007

* Sample size for family coverage in 2004/2005 was too small to report.

Current Health Reform Proposals for New York State

- ❑ Assemblymember Gottfried's NY Health Plan
- ❑ Assemblymember Gottfried's NY Health Plus
- ❑ CSS Cornerstone
- ❑ UHF/Commonwealth Fund
- ❑ Industry Proposals:
 - ❖ Blue Cross/Blue Shield—Excellus
 - ❖ United Health Group

Assemblymember Gottfried's New York Health Plan

- ❑ Covers all NY residents (including immigrants)
- ❑ No co-pays or deductibles
- ❑ Comprehensive benefits including all medically-necessary services, prescription drugs and devices
- ❑ Public benefit corporation sets annual state health care budget, provider fees, and global budgets for institutions
- ❑ Provider payments from New York Health Trust Fund made up of existing health funds and new employer-employee payroll tax
- ❑ “Single payer plan”

Assemblymember Gottfried's NY Health Plus

- ❑ All NY residents eligible for NYHealth Plus (CHPlus/FHPlus) & Medicare-like fee-for-service option administered by State government
- ❑ No premiums or co-pays
- ❑ Individuals/employers have option to keep current coverage
- ❑ 10.3 million crowd out enrollees, 2.8 million newly insured (100% coverage)
- ❑ Costs \$59.2 billion, (saves State \$4 billion)
- ❑ Covers immigrants

CSS Cornerstone

- ❑ Opens popular CHPlus/FHPlus to all New York residents at affordable prices—sliding fee scale for individuals/families below \$60K/\$103K/year (cap at 7% of gross inc.)
- ❑ Includes immigrants
- ❑ Buy-in program for employer/labor groups
- ❑ Direct costs: state/federal governments \$2.6-4.5b; families \$1.5b; employers \$200 million
- ❑ 888,000 crowd out enrollee; 914,000 new enrollees
- ❑ 92% coverage rate

UHF / Commonwealth Fund

- ❑ FHPlus free up to 150% of FPL; sliding scale up to 300% of FPL; full cost above (cap at 8-10% of family's gross income)
- ❑ Individual & employer mandate
- ❑ Creates Insurance Exchange
- ❑ 900,000-1.3 million crowd out enrollees; 2.4 million new enrollees
- ❑ “Net costs” estimates: State \$4-6 billion; families \$1 billion; employers save \$.6-4.1 billion
- ❑ 98% coverage
 - Silent on immigrants

Industry Proposals

□ Blue Cross/Blue Shield

- Merge individual/small group markets
 - Decrease premiums for individuals by 29%, increase small group by 9%
- More HSAs/High Deductible Plans & eliminate certain state benefit mandates
- Create stop-loss pool for claims above \$20,000
- Cap med/loss ratio; reduce HCRA surcharges
- Costs \$850 million

□ United Health Group

- NYS Employee plan administers individual market, but keeps separate risk pool
- Repeal mandate that HMOs must offer coverage to individuals
- Continue direct pay stop-loss funding; discontinue HCRA surcharges
- Decrease individual premiums by 13-19% due to increased admin. efficiencies
- No cost impact estimated

CSS/Lake Statewide Poll on Health Reform in New York

Summary of Methodology

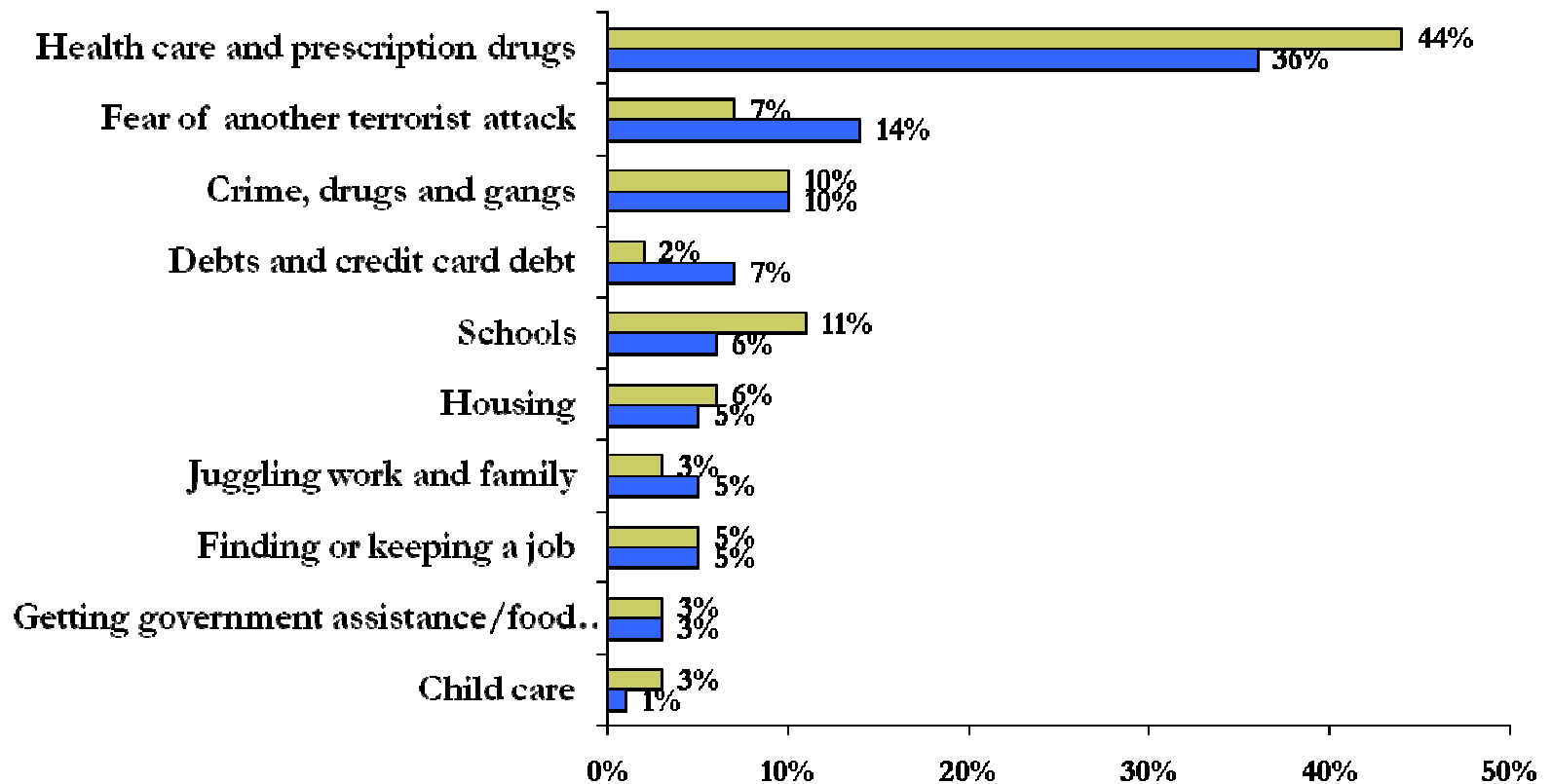
- ❖ Poll designed by CSS and Lake Research Partners.
- ❖ Surveyed 1619 New Yorkers in November 2007
 - ❖ 406 in New York City,
 - ❖ 402 in Long Island,
 - ❖ 411 in Urban Upstate, and
 - ❖ 400 in Rural Upstate.
- ❖ Telephone numbers for the survey were drawn using random digit dial (RDD).
 - ❖ The data were weighted slightly by gender, age, region, race, Federal Poverty Level (FPL), and education for each region in order to ensure that they accurately reflect the demographic configuration of these populations and actual proportion in New York residents.
- ❖ Margin of error
 - ❖ For full survey is +/- 2.5 percent
 - ❖ For each region is +/- 4.9 percent

Summary of Findings

1. Health care tops the agenda for New Yorkers
 - ✓ Top personal worry, by 2:1 margin
 - ✓ Top priority for elected officials, by 4:1 margin
 - ✓ More worried about no government action than increased taxes
2. Health hardships are rampant
 - ✓ Last year, nearly 25% of New Yorkers didn't get care or prescriptions for lack of money or insurance
 - ✓ Over 50% of New Yorkers polled know someone without insurance
3. New Yorkers have strong policy responses
 - ✓ Dislike individual mandates, but like employer responsibility
 - ✓ New Yorkers like sliding-scale proposals
 - ✓ New Yorkers reject HSAs
4. Affordability and pricing matters to New Yorkers
 - ✓ Most believe paying 5% of pretax income on health coverage is fair

Health care and prescription drugs are the top personal and political issues for New Yorkers.

Now I'm going to read you some problems you and your family may face. Please listen carefully, then tell me which ONE of these you personally worry about the most?/What ONE issue would you most like state elected officials in New York to do something about?*



* Split-sampled questions

Source: CSS Statewide Survey 2007.

■ Elected Officials ■ Personal Worry

Lake Research Partners

Regardless of FPL or region, New Yorkers believe that health care and prescription drugs should be the top issue for state elected officials.

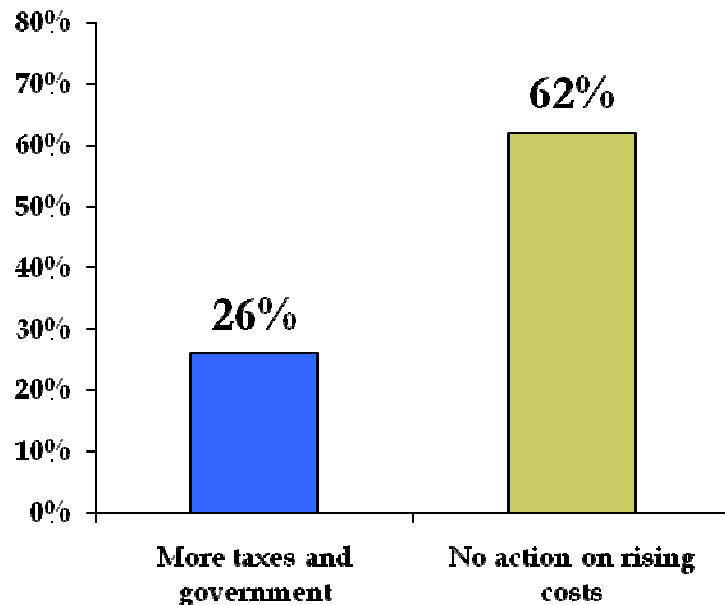
TOP ISSUE FOR STATE ELECTED OFFICIALS*							
	<200%	200-400%	>400%	NYC	Long Island	Urban Upstate	Rural Upstate
Health care and prescription drugs	46%	47%	41%	43%	42%	43%	45%
Schools	11%	11%	14%	14%	6%	10%	10%
Crime, drugs and gangs	6%	13%	9%	8%	13%	13%	11%
Fear of another terrorist attack	4%	8%	10%	5%	11%	10%	7%
Housing	7%	6%	5%	7%	10%	2%	3%
Finding or keeping a job	8%	6%	4%	3%	4%	9%	9%
Govt. assistance	4%	3%	2%	4%	2%	1%	4%
Child care	3%	3%	2%	4%	2%	1%	2%
Juggling work and family	4%	1%	3%	4%	1%	3%	1%
Debts and credit card debt	3%	1%	2%	2%	2%	1%	4%

*Split-sampled question
Source: CSS Statewide Survey 2007.

Overwhelmingly, New Yorkers worry more about no action on access or rising costs than higher taxes and more government. By almost 3 to 1, New Yorkers worry that government won't take action on access.

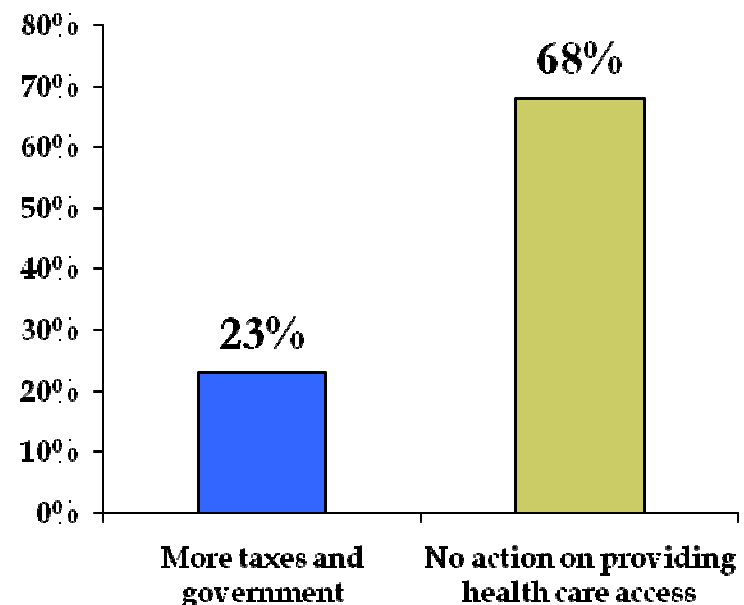
Costs

Again, thinking about health care in New York today, which are you more worried about, that health care reform will raise your taxes and create more government control OR that government **will not take any action to rein in rising health care costs?***



Access

Again, thinking about health care in New York today, which are you more worried about, that health care reform will raise your taxes and create more government control OR that government **will not take any action to provide affordable access to health care for everyone?***



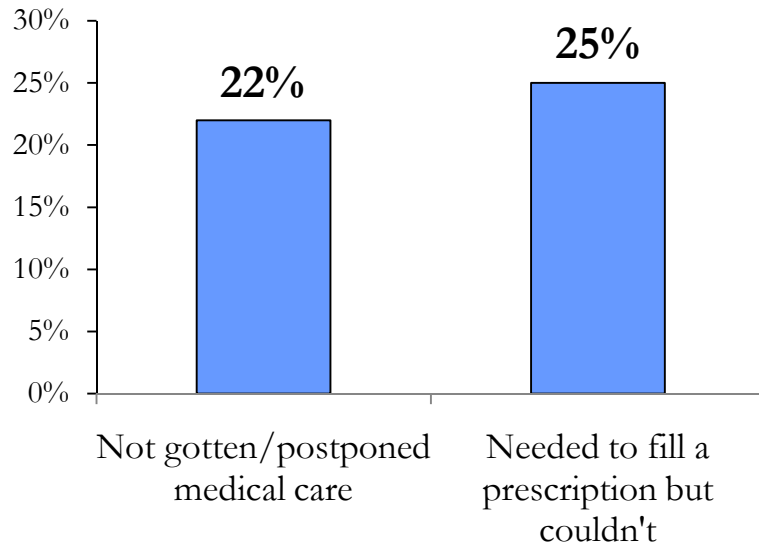
*Split-sampled question

Source: CSS Statewide Survey 2007.

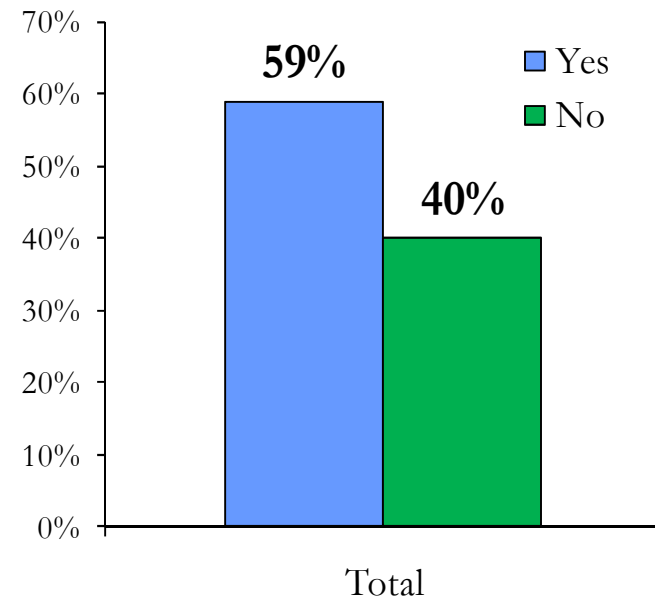
Lake Research Partners

New Yorkers are foregoing medical care and prescriptions due to lack of money and insurance. Most know someone who is uninsured.

In the last year, have you or any member of your household not gotten or postponed getting medical care or surgery because of a lack of money or insurance? Needed to fill a prescription but couldn't because of a lack of money or insurance?



Do you personally know anyone who has been without health care coverage in the last two years?

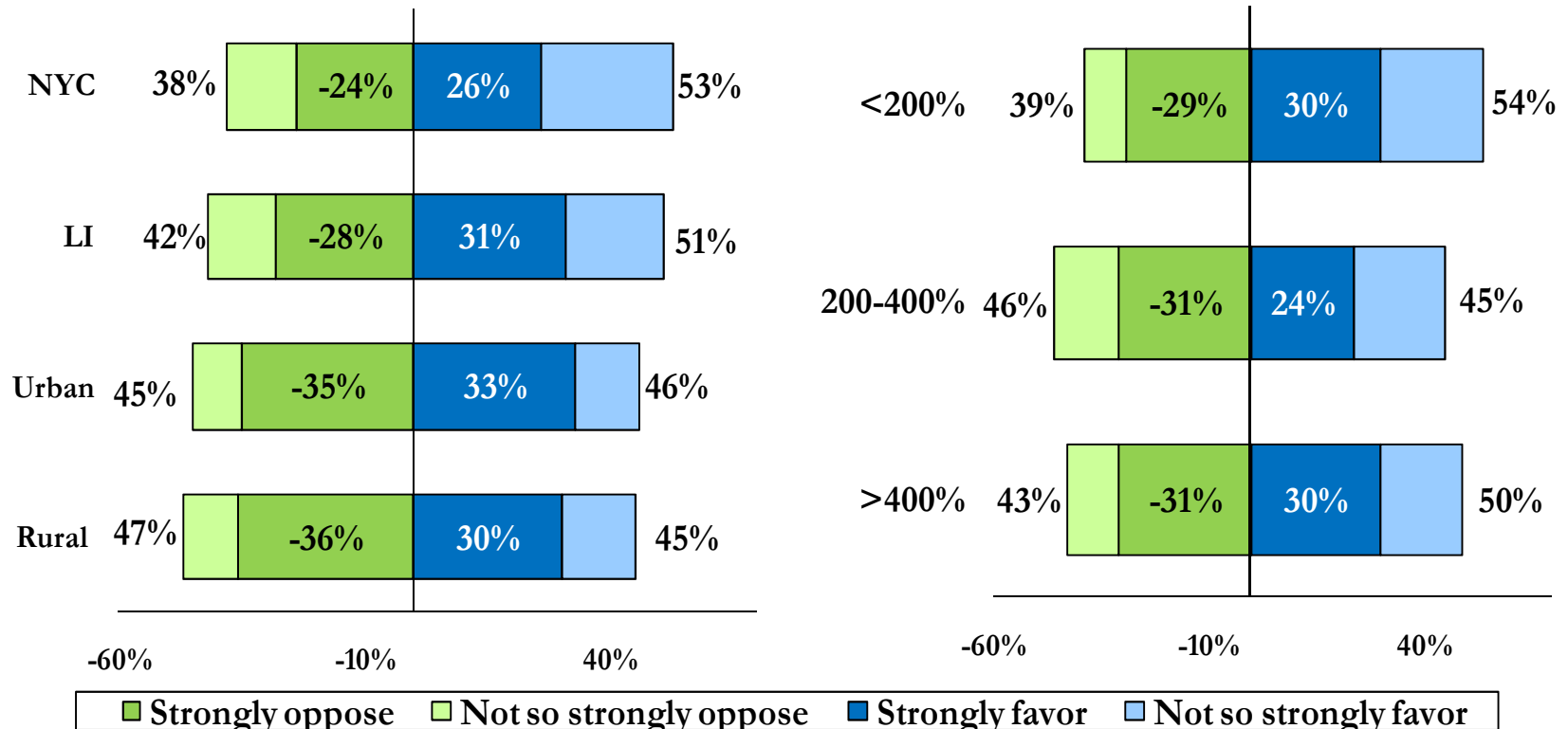


Source: CSS Statewide Survey 2007.

Lake Research Partners

Important New York constituencies reject the Massachusetts individual mandate model.

Individual Mandates: Now let me read you some different approaches to providing health insurance coverage to all New Yorkers. For each one, please tell me if you favor or oppose this approach: Requiring individuals who are uninsured and not eligible for public insurance like Medicaid, Child Health Plus or Family Health Plus to purchase private health insurance.



Source: CSS Statewide Survey 2007.

Lake Research Partners

Text of Health Reform Proposals

Now I am going to read you descriptions of different proposals to provide health insurance to all New York residents. For each, please tell me if you favor or oppose this proposal or if you are undecided.

[SLIDING SCALE FEE] This proposal would offer all New York State residents access to comprehensive, affordable health insurance through expansion of the state's Child Health Plus/Family Health Plus Program. The cost of the program would vary by income, with a sliding scale fee. Employers would have the option of participating in this program for their employees.

[STATE HEALTH PLAN PAID FOR BY BUSINESS/PERSONAL TAX INCREASES] Like parents who can all send their children to public schools, all New York residents will be offered access to a health insurance plan paid for by the state, which would replace any health insurance premiums paid by employers or individuals. The plan would be funded by taxes, including business and personal income tax increases. Employers or individuals could continue to purchase private insurance if they want to, like some parents elect to send their kids to private school.

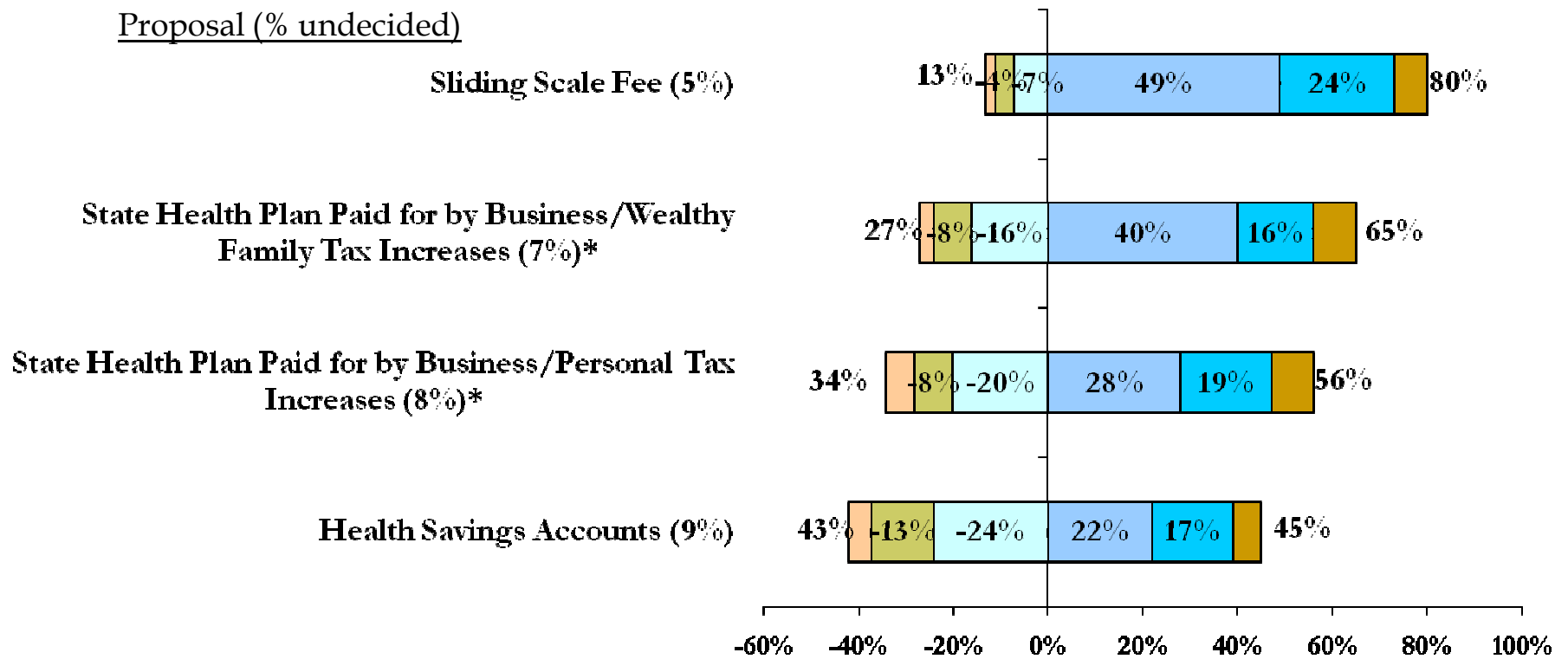
[STATE HEALTH PLAN PAID FOR BY BUSINESS/WEALTHY FAMILY TAX INCREASES] Like parents who can all send their children to public schools, all New York residents will be offered access to a health insurance plan paid for by the state which would replace any health insurance premiums paid by employers or individuals. The plan would be funded by a significant tax increase on businesses and wealthy families making over \$200,000 per year. Employers or individuals could continue to purchase private insurance if they want to, like some parents elect to send their kids to private school.

[HEALTH SAVINGS ACCOUNTS] This proposal would extend health insurance coverage through Health Savings Accounts that would provide tax-deductible accounts to New York residents if they purchase a private health insurance plan. The plan would not cover the first \$1000 of health care expenses each year. Under this proposal, insurance companies would be allowed to offer less expensive insurance products with fewer benefits.

Support and intensity of support is greatest around the Sliding Scale Fee Plan, with almost half of New Yorkers saying they strongly favor this proposal. Residents also solidly support a State Health Plan paid for by a tax on businesses and the wealthy.

Now I am going to read you descriptions of different proposals to provide health insurance to all New York residents. For each, please tell me if you favor or oppose this proposal or if you are undecided.

Proposal (% undecided)



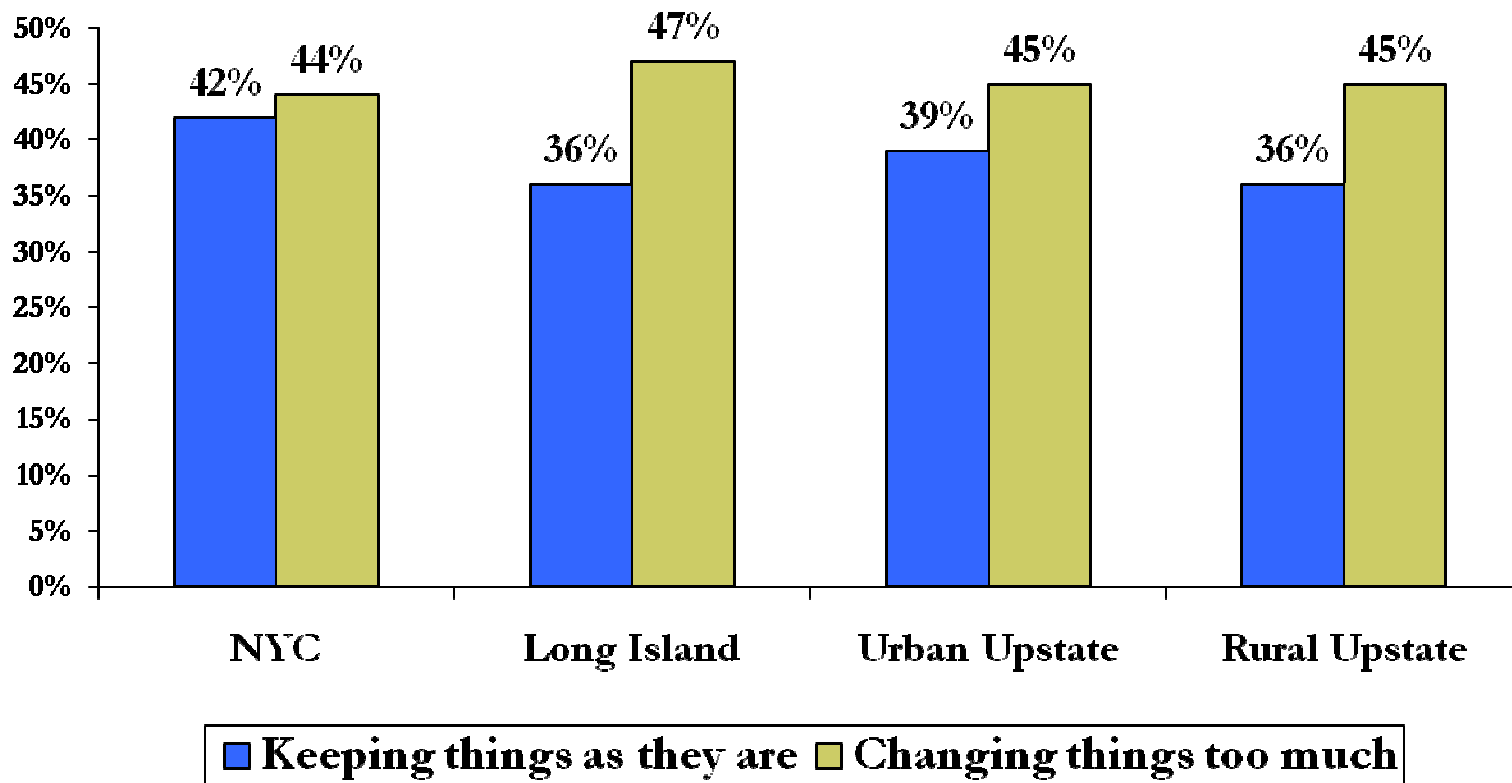
■ Strongly oppose
 ■ Not so strongly oppose
 ■ Undecided - lean oppose
 ■ Strongly favor
 ■ Not so strongly favor
 ■ Undecided - lean favor

*Split-sampled question

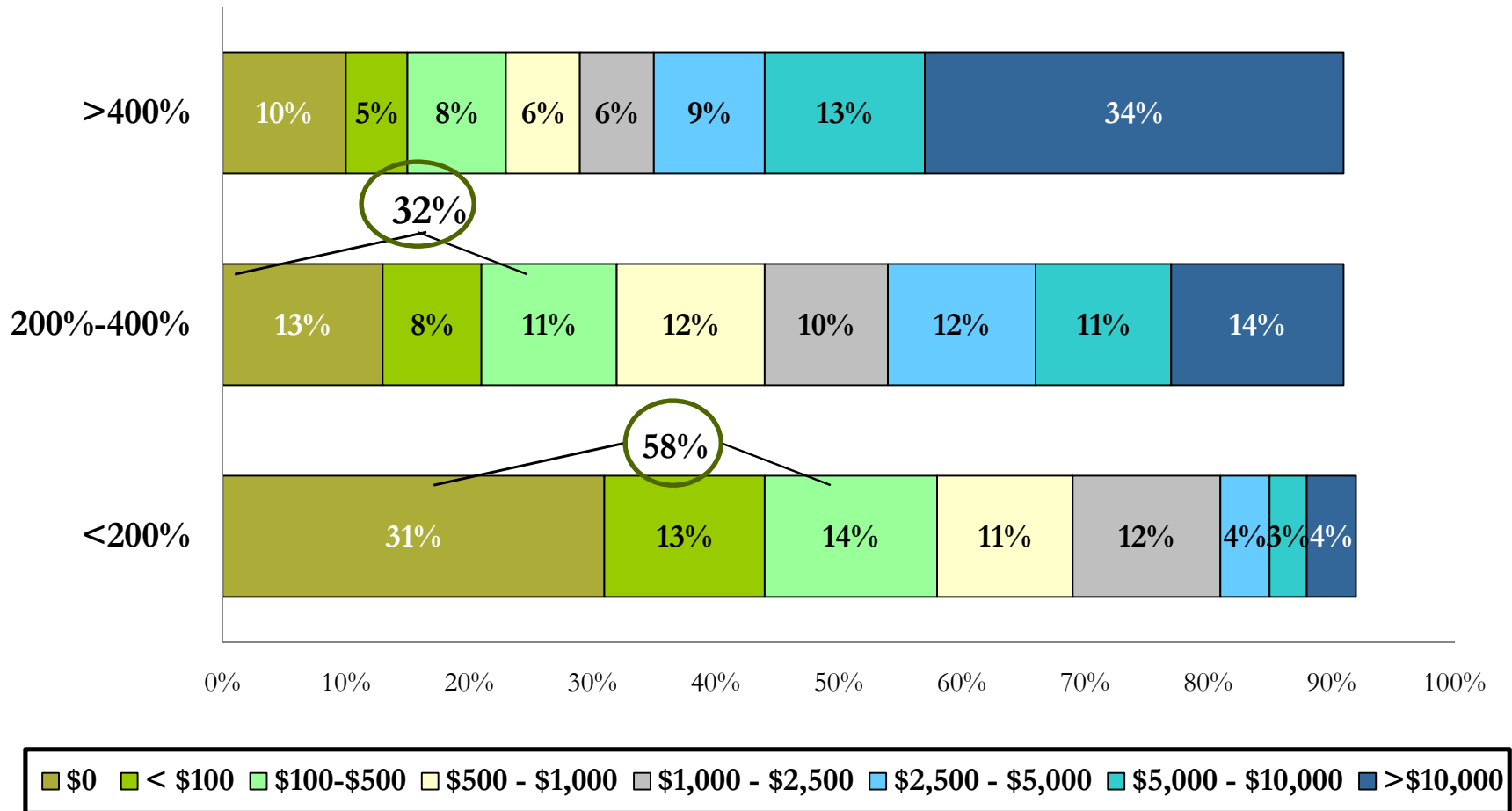
Source: CSS Statewide Survey 2007.

New Yorkers are wary of too much change in the context of health care reform.

Overall, when you think about health care in New York today, which are you more worried about, keeping things as they are or changing things too much?

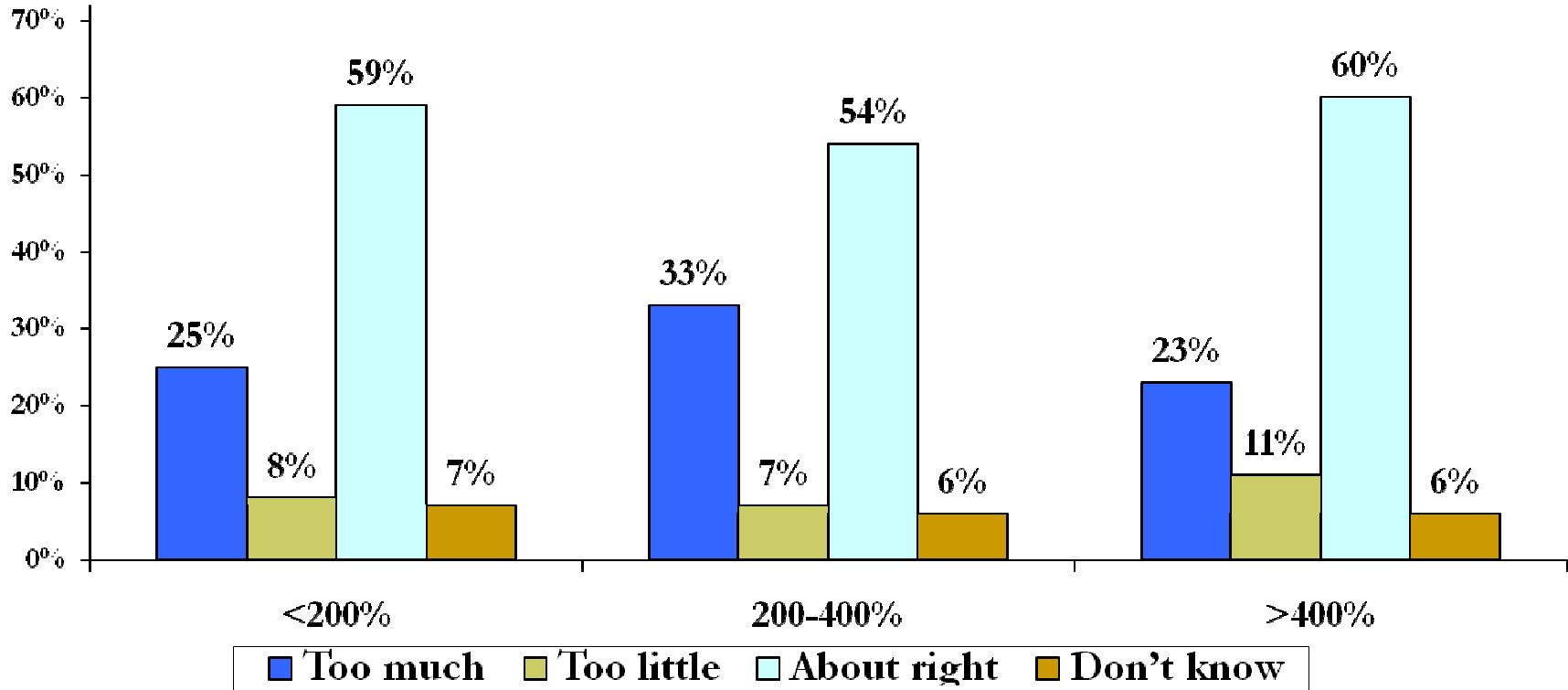


Almost 60% of New Yorkers below 200% of FPL have less than \$500 in savings. Nearly a third of those between 200%-400% of FPL have less than \$500.



A majority of New Yorkers at every income level say paying about 5% of their income on health care costs was about right. However, one-third of residents between 200-400% of FPL say it is too much.

Research shows that most people pay about 5% of their total income before taxes towards their family's health care costs. Do you think this sounds like too much, too little or about right?*

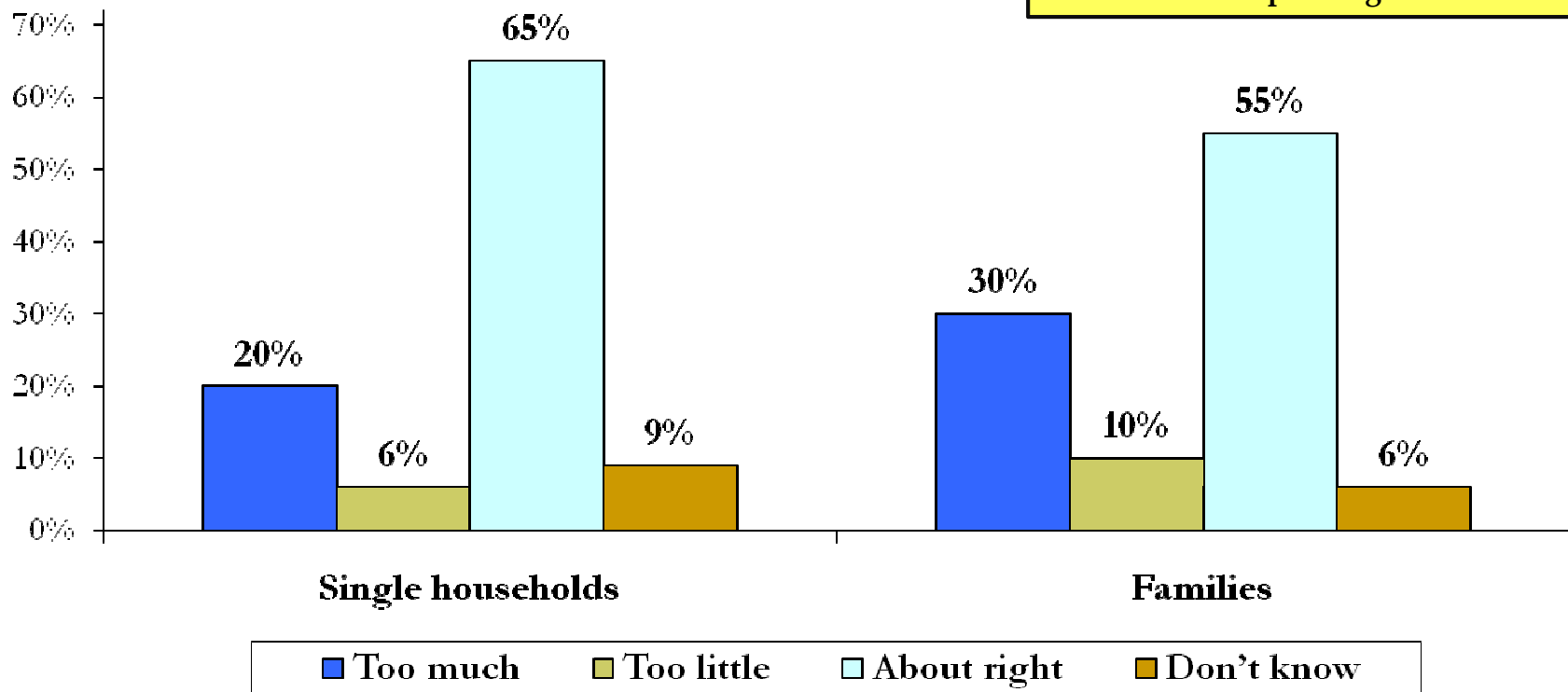


*Split sampled question
 Source: CSS Statewide Survey 2007.

Families are more likely than singles to say that 5% of total income sounds like too much to put toward health care costs.

Research shows that most people pay about 5% of their total income before taxes towards their family's health care costs. Do you think this sounds like too much, too little or about right?*

36% of parents say that 5% sounds like too much to be spending on health care.

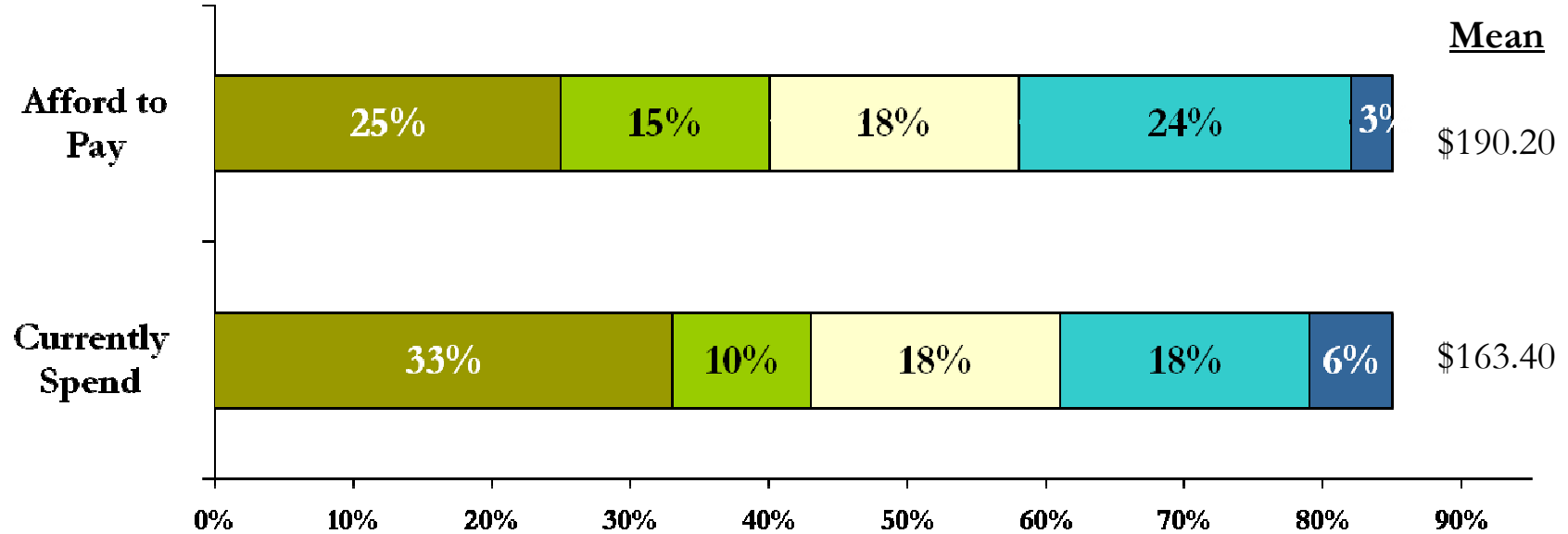


*Split-sampled question.
Source: CSS Statewide Survey 2007.

New Yorkers say they can afford to pay slightly more than they currently spend per month for health insurance coverage, with more than half saying they can afford to spend \$200 or less.

Thinking about you and your family, how much do you think your family can **afford to pay** per month for health insurance coverage for yourself and your immediate family?

Thinking about you and your family, how much do you **currently spend** per month for health insurance coverage for yourself and your immediate family?*



■ \$50 or less ■ More than \$50 to \$100 ■ More than \$100 to \$200 ■ More than \$200 to \$500 ■ More than \$500

*Split-sampled question.
Source: CSS Statewide Survey 2007.

Cost by Household Size and Income

<200% FPL: Now thinking about yourself and this proposal, if you were uninsured but made too much money to qualify for public insurance programs like Medicaid, Child Health Plus and Family Health Plus, how willing would you be to **pay \$18 (single)/\$45 (family) per month for health insurance** – extremely willing, very willing, somewhat willing, a little willing, or not willing at all?

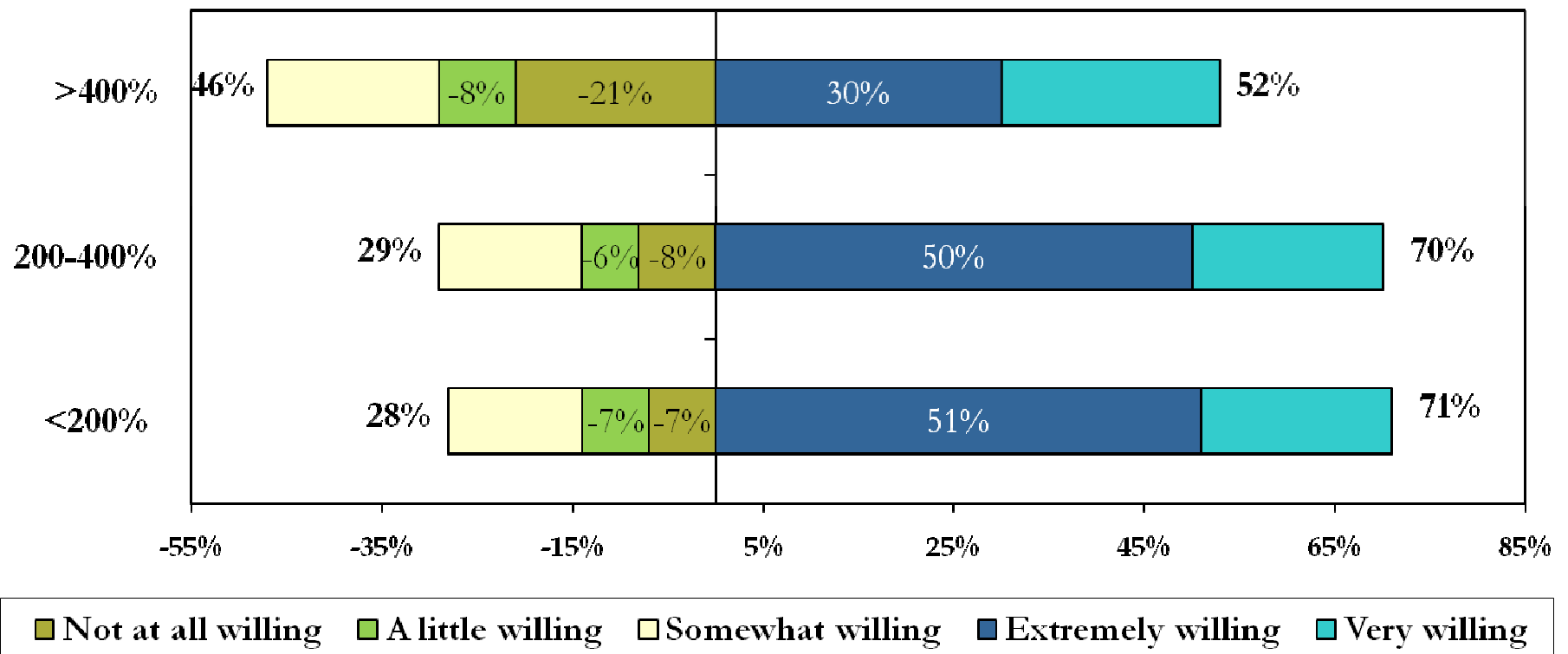
200-300% FPL: Now thinking about yourself and this proposal, if you were uninsured but made too much money to qualify for public insurance programs like Medicaid, Child Health Plus and Family Health Plus, how willing would you be to **pay \$30 (single)/\$75 (family) per month for health insurance** – extremely willing, very willing, somewhat willing, a little willing, or not willing at all?

300-400% FPL: Now thinking about yourself and this proposal, if you were uninsured but made too much money to qualify for public insurance programs like Medicaid, Child Health Plus and Family Health Plus, how willing would you be to **pay \$70 (single)/\$175 (family) per month for health insurance** – extremely willing, very willing, somewhat willing, a little willing, or not willing at all?

>400% FPL: Now thinking about yourself and this proposal, if you were uninsured but made too much money to qualify for public insurance programs like Medicaid, Child Health Plus and Family Health Plus, how willing would you be to **pay \$140 (single)/\$350 (family) per month for health insurance** – extremely willing, very willing, somewhat willing, a little willing, or not willing at all?

New Yorkers below 400% of FPL are more likely to say they are extremely willing to pay the indicated amount per month for health insurance – either for themselves or for their family. Intensity around willingness drops 20 points for residents above 400 % of FPL.

Willingness to Pay by FPL



State Reform Issues to Contemplate

- Affordability issues for consumers/patients
 - Public opinion research shows that public is concerned about the increasing costs of their health care
 - Massachusetts exempted 60,000 people because premiums were deemed “unaffordable” at their income levels (20% of State’s uninsured population)
 - Pegging family insurance caps to gross family income may hurt working low- and moderate-income families
 - Federal Poverty Line (FPL) hurts people in certain states
 - Methodologically complex, but there are multiple ways to get at affordability: convenience samples/workshops; price elasticity; polling; MEPS

State Reform Issues cont...

□ Individual mandates

- Mitigates “free riders” and adverse selection; could reduce health costs down for everyone
- Political concerns (seen as a tax; polls weakly; will mandates hurt the health reform “cause”?)
- Fairness & efficacy concerns
 - Affordability concerns—insufficient subsidies result in a regressive tax
 - In MA, many exempted & will be penalized; disparate impact on poor?
 - Concerns about minimum coverage plans undermining effort to get comprehensive coverage for all (MA: only 27% enrolled in “silver/gold” plans; 1/3 of enrolled don’t have RX coverage)
 - Administrative issues (Medicare only gets 95% participation; 14.6% of US drivers are uninsured)
- Health system shock (e.g. inadequate primary care system)

State Reform Issues cont...

- ❑ Employer Mandates (aka “Pay or Play”) & ERISA
- ❑ Crowd-Out
- ❑ Adverse Selection
- ❑ Push for deregulation
- ❑ Erosion of comprehensive benefits v. unnecessarily prescriptive government mandates on the industry
- ❑ Immigrant coverage
- ❑ State capacity for financing health reform through economic cycles
- ❑ Push for cost-containment

Acknowledgements

- ❖ For 160 years, CSS has been the leading voice on behalf of low- and moderate-income New Yorkers. Our mission is to bring the voices of low- and moderate-income New Yorkers to the policy conversation.
 - ❖ To learn more about the Health Care for All New York Campaign or CSS's Cornerstone for Coverage Proposal, please go to our websites, www.HCFANY.org or www.CSSNY.org, or call Elisabeth Benjamin at (212) 614-5461 or Arianne Garza at (212) 614-5541.
- ❖ *Special Thanks to:*
 - ❖ The **Nathan Cummings Foundation**, the **New York Community Trust**, and the **United Hospital Fund** for their support for our research work in the health coverage area
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