



Testimony of the New York Health Plan Association

to the

New York State Department of Health and Department of Insurance  
on

**Increasing Access to Health Insurance Coverage and  
Moving Toward Universal Healthcare Coverage**

September 5, 2007

## **INTRODUCTION**

The New York Health Plan Association (HPA) is comprised of 30 managed care health plans that provide comprehensive health care services to more than six million New Yorkers. Our member health plans include fully-licensed managed care plans that offer a range of managed care products (HMOs, PPOs, POS, etc.), prepaid health services plans (PHSPs, which provide services to those enrolled in government programs – Medicaid Managed Care, Child Health Plus, Family Health Plus) and managed long term care plans (which coordinate the health care and home care needs of the frail elderly and chronically disabled populations). We thank you for the opportunity to comment today on the important topic of increasing access to health insurance coverage and moving toward universal health care in New York.

## **NEW YORK'S MANAGED CARE LANDSCAPE**

According to the latest data from the State Department of Health (December 2005), nearly 7.8 million New Yorkers were enrolled in fully-insured (state regulated) coverage in a managed care plan. That represents almost 41% of the state's population. Approximately 7 million other New Yorkers are covered by fee-for-service Medicaid, Medicare or are in self-insured plans. Another 2.6 million New Yorkers have no insurance coverage.

New York has already taken numerous steps to expand coverage through innovative programs such as Child Health Plus, Family Health Plus and Healthy New York. In fact, much of the growth in managed care in the past several years has been in the area of these government-funded programs and the Medicaid managed care program. The success of these programs is due, in large part, to managed care's ability to provide these populations with greater access to health care services (including greater numbers and varieties of providers) and to improve the overall quality of care. Data from the Department of Health have repeatedly documented managed care's successes in these areas.

The efforts to date are to be applauded. The task ahead – and the subject of today's discussions – is to determine the next steps on the road to increasing access to health care coverage to all New Yorkers.

## **NEW YORK HEALTH PLAN ASSOCIATION'S PRINCIPLES FOR REFORM**

HPA and its member plans have been partners with New York State in the work that has been done to expand coverage and we are committed to supporting efforts to bring high quality, affordable and accessible health care to all New Yorkers. Equally important as the objective of increasing access to coverage is the goal of improving health care outcomes for New Yorkers.

We believe that by utilizing policies, practices and tools that build upon the strengths and flexibility of today's health care system, New York can achieve reform without the upheaval of a radical health care system overhaul. HPA supports several basic reform principles in efforts to achieve New York's reform goals.

***Build on programs that work***

Discussions of New York's reform efforts have repeatedly cited the desire for a "building block" approach. In this building block mode, HPA believes that reform proposals should build on successful marketplace solutions. This features: a primary a role for commercial insurance; the existing private/public partnership that form the basis of New York's highly successful government programs; and exploring innovative new coverage options.

The goal of affordable universal health insurance, in order of priority, must maximize:

- Enrollment of all currently eligible uninsured in existing public program health insurance.
- Expansion and use of commercial insurance through statutory and regulatory actions that make health insurance more affordable without subsidy.
- Create innovative new commercial insurance products in conjunction with a premium subsidy mechanism to expand coverage to the uninsured.
- Explore further expansion of public programs through creative employee assistance approaches that will target the near poor, working uninsured sector.

Consumers should be able to choose from a variety of affordable policies and health insurance plans should be given flexibility to design and market these products. This includes:

- Greater flexibility in benefit design co-payment and coinsurance structures should be explored especially in design of an "essential" universal coverage product to improve affordability.
- Benefits included in an "essential" universal coverage product should not create an incentive for employers to drop coverage all together and encourage employees to seek coverage in public program products. Instead, the "essential" benefits should create a marketplace that encourage employers to continue offering commercial coverage.
- The development of a commercial product premium subsidy should reflect appropriate consideration of a mechanism to account for the costs of high risk individuals that is administratively simple, limited in scope and predictable in cost.

***Approach reform comprehensively***

Any proposals to reform New York's health care system must be comprehensive and touch all components of, and players within, the health care system. All stakeholders share responsibility for the current situation and must play a role in reform efforts.

You have called the overall effort to reform New York's health care system a "partnership for universal coverage." A successful partnership relies on the strength and commitment of the various partners. HPA and its member health plans are eager to participate in collaboration with policymakers, providers, consumers and others on these reform efforts.

***Improve quality of health care***

Expanding access to health insurance coverage and to health care is important. However, access to care alone is not enough. As noted earlier, it is equally important to focus on the quality of the care people receive. While we must look for ways to increase access to care, reform should likewise and simultaneously seek to improve the quality of that care.

We already know that evidence-based medicine can make health care safer and more effective. From the Institute of Medicine reports to the annual Dartmouth Atlas to numerous other studies, volumes have been written that affirm the positive effect of evidence-based medicine on quality.

Reform efforts should support and reward the use of evidence-based practices. This includes:

- Utilization of managed care tools that at a minimum promote quality and "best practices" in the delivery of health care should be maximized.
- Appropriate care management tools will aid in improving health outcomes. Reform should promote and encourage wellness, preventive care and disease management to help identify and assist with chronic conditions before they have debilitating and costly complications. Existing provider-health plan partnerships to expand effective disease management programs should be enhanced.
- Appropriate application of public health resources and programs should be used to improve the health status of New Yorkers as part of comprehensive access to care.
- Reform should promote the increased adoption of information technology tools to improve quality and care management. Improved access to information will assist physicians in delivering the right care at the right time, help to reduce medical errors and avoid unnecessary duplicate testing.

***Care should be cost-effective and financing sustainable***

To succeed over the long-term, health care reform must contain mechanisms to assure that health care dollars are spent effectively. To this end, HPA believes that proposals for

universal coverage should be financed through (universal) general fund appropriations supported by broad based revenues. All HCRA surcharges and assessments should be eliminated.

Additionally, we believe the following are necessary to support cost-effective and sustainable financing of New York's health care system:

- The allocation of limited funds must follow a universal coverage model that maximizes health insurance coverage for the greatest number of uninsured New Yorkers.
- Reform efforts should promote better alignment between health care sectors, streamline costly and inefficient practices, improve market structures to foster competition, and increase accountability to lower costs.
- Information about the relative costs and outcomes associated with particular treatments and treatment settings should be available to providers and consumers to improve their ability to make value-based health care decisions.
- Employer-sponsored plans and third-party payers must have the ability to implement policies and programs that result in measurable savings without adversely affecting the quality of care or the availability of needed services.

### *Phase-in reforms*

As has been so often stated, this reform effort is based on a building block approach. Inherent in any incremental process is the idea that change be phased-in. Indeed, transition periods are essential to permit necessary adjustments in the behavior of providers, consumers, benefit sponsors and payers. Allowing for transition will enable employers and individuals to research and financially plan for changes in benefits, and will also permit real-time understanding of the effects of the reforms and allow for corrective actions.

### **CONCLUSION**

As noted earlier, New York has already taken some significant and important steps toward expanding access to health coverage. However, a long road remains ahead of us and much work must be done before we reach its end and our common goal of coverage for all new Yorkers.

We appreciate the opportunity to present our views today, understanding these ideas require more discussion and details. We look forward to continuing this dialogue with you and other stakeholders and to being an integral partner in this partnership for universal coverage.