

# *Community Service Society*

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## *Cornerstone for Coverage: Universal Health Reform Plan for New York*

*Release of Statewide Polling Data  
January 10, 2008*

**Elisabeth Ryden Benjamin, MSPH, JD**  
**Director, Healthcare Restructuring Initiatives – (212) 614-5461, (917) 364-3332**

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# Findings from Statewide Polling by Lake/CSS

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## **Finding #1: Priorities/Government Action**

New Yorkers Rank Healthcare as their Top Personal Worry & Top Priority for Action by Government Officials

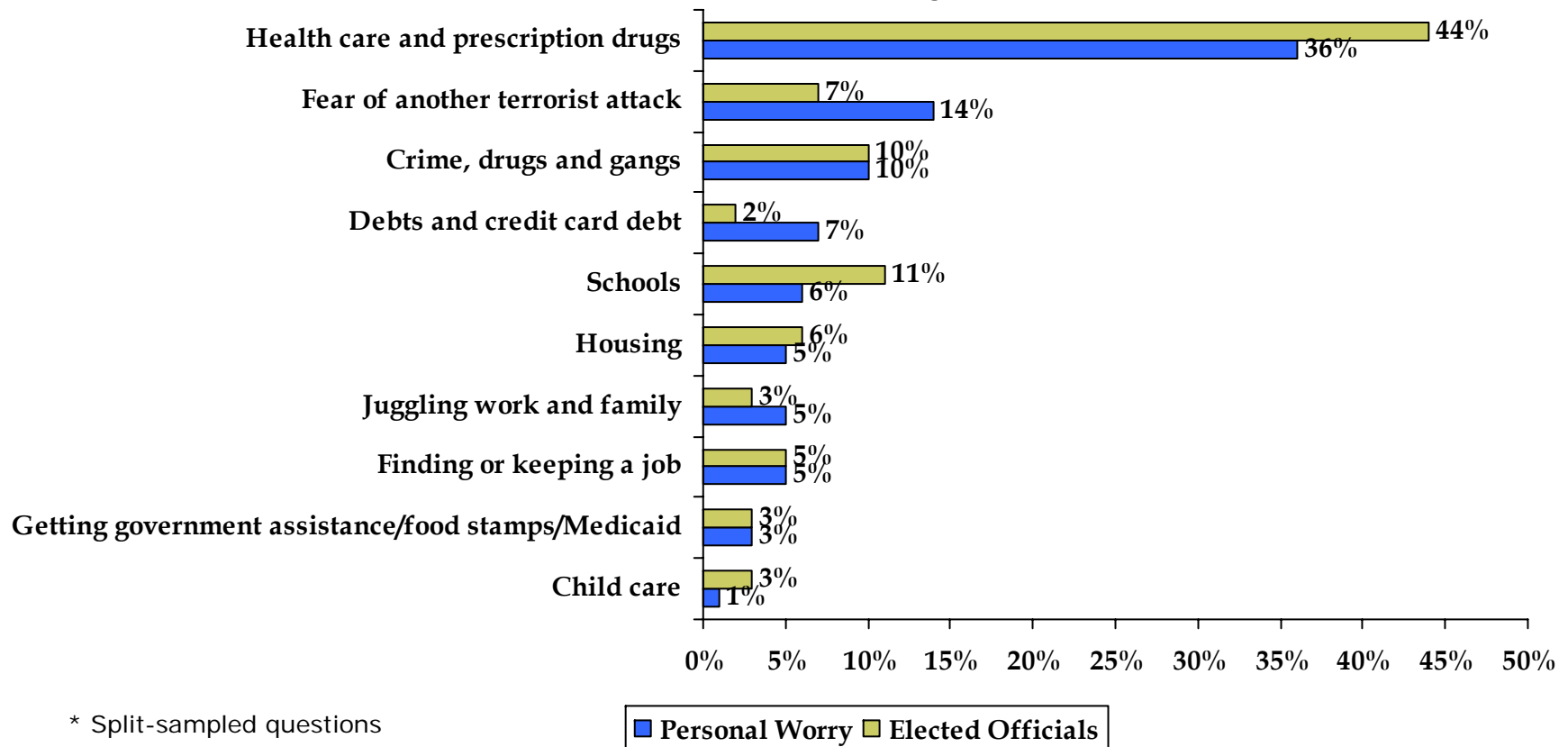
# Findings from Statewide Polling by Lake/CSS – Healthcare is #1 Personal Worry & Top Priority for Government Officials

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- ❑ By a margin of 2:1, New Yorkers' personally worry about healthcare more than any other issue (e.g. education, crime, terrorism)
- ❑ By a margin of 4:1, healthcare is the issue New Yorkers want their state officials to do something about
- ❑ Even without details of a health care proposal, the majority of residents (65%) say that they are more likely to re-elect a state legislator if they would support a universal health care proposal
  - Majority (68%) said that they were more worried that the government will not take action to provide affordable health coverage for everyone than they were worried about that health reform would result in increased taxes and government control
  - Majority (62%) said they were worried government will not take action to rein in costs

# 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?\*



# Across income levels and geographic regions, 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

**Older married women, Democratic women, lower income rural upstate residents, middle class men, and middle class residents of Long Island, are among those most likely to say that health care and prescription drugs is the one issue they would most likely their elected officials to act on.**

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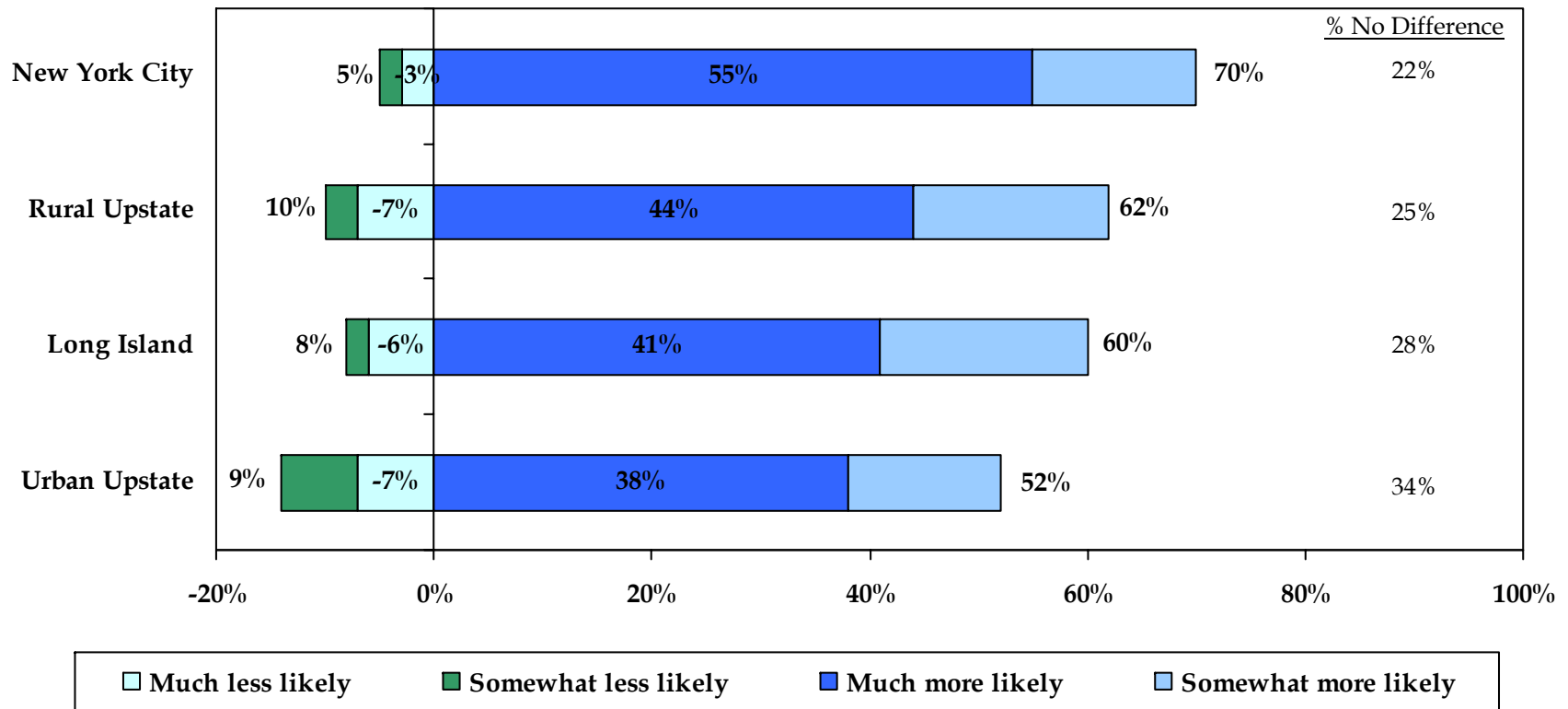
Those most likely to say that health care and prescription drugs is the ONE issue they would most like state elected officials in New York to do something about:

- ▣ Rural Upstate <200% FPL\* – 60 percent
- ▣ Democratic women – 58 percent
- ▣ Married, childless women – 57 percent
- ▣ Women <200% FPL – 56 percent
- ▣ Retired New Yorkers – 56 percent
- ▣ Residents ages 65-69\* – 55 percent
- ▣ Long Island 200-400% FPL\* - 54 percent
- ▣ College-educated women – 53 percent
- ▣ Men 200-400% FPL – 52 percent
- ▣ White women – 52 percent
- ▣ New Yorkers who are widowed – 52 percent
- ▣ Strong Democrats – 51 percent
- ▣ New York City women – 50 percent
- ▣ New Yorkers who are separated/divorced\* - 50 percent

\*Small n size

# New York City, rural upstate and Long Island residents are most likely to say their state legislator's support for a statewide health care proposal would affect their vote

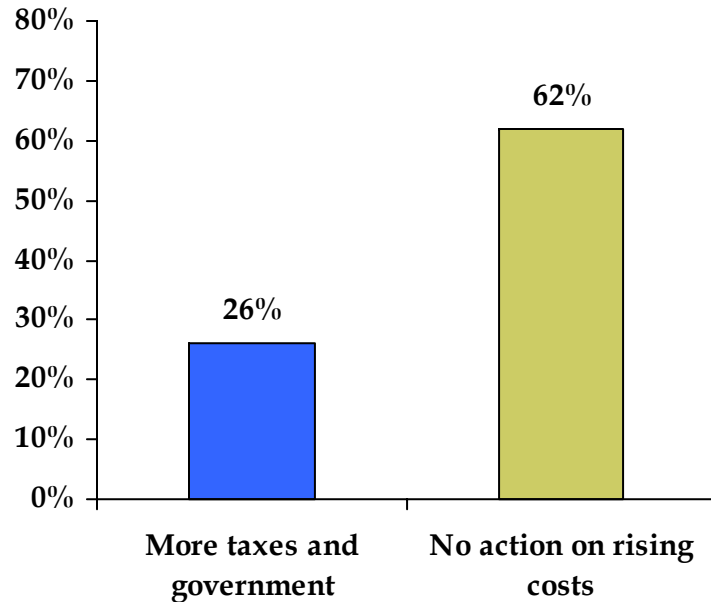
Would you be more or less likely to vote to re-elect your state legislator if they supported a health care proposal to cover all New York residents or would it not make a difference?



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

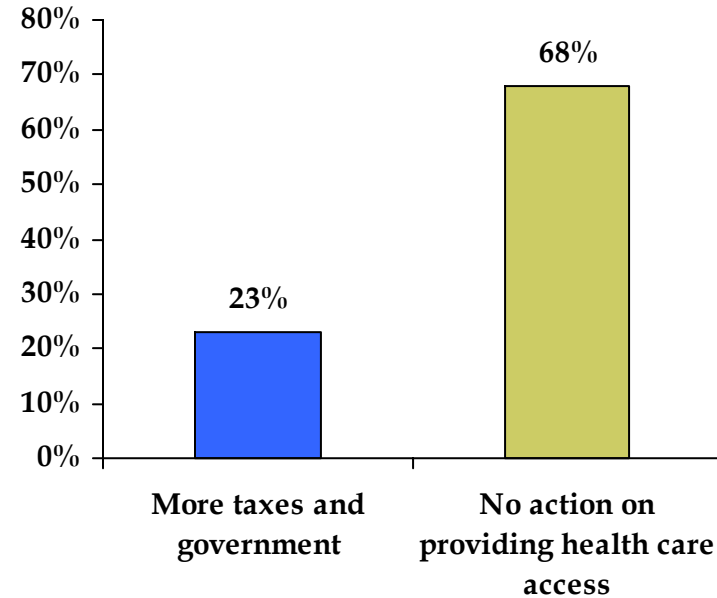
### Costs

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

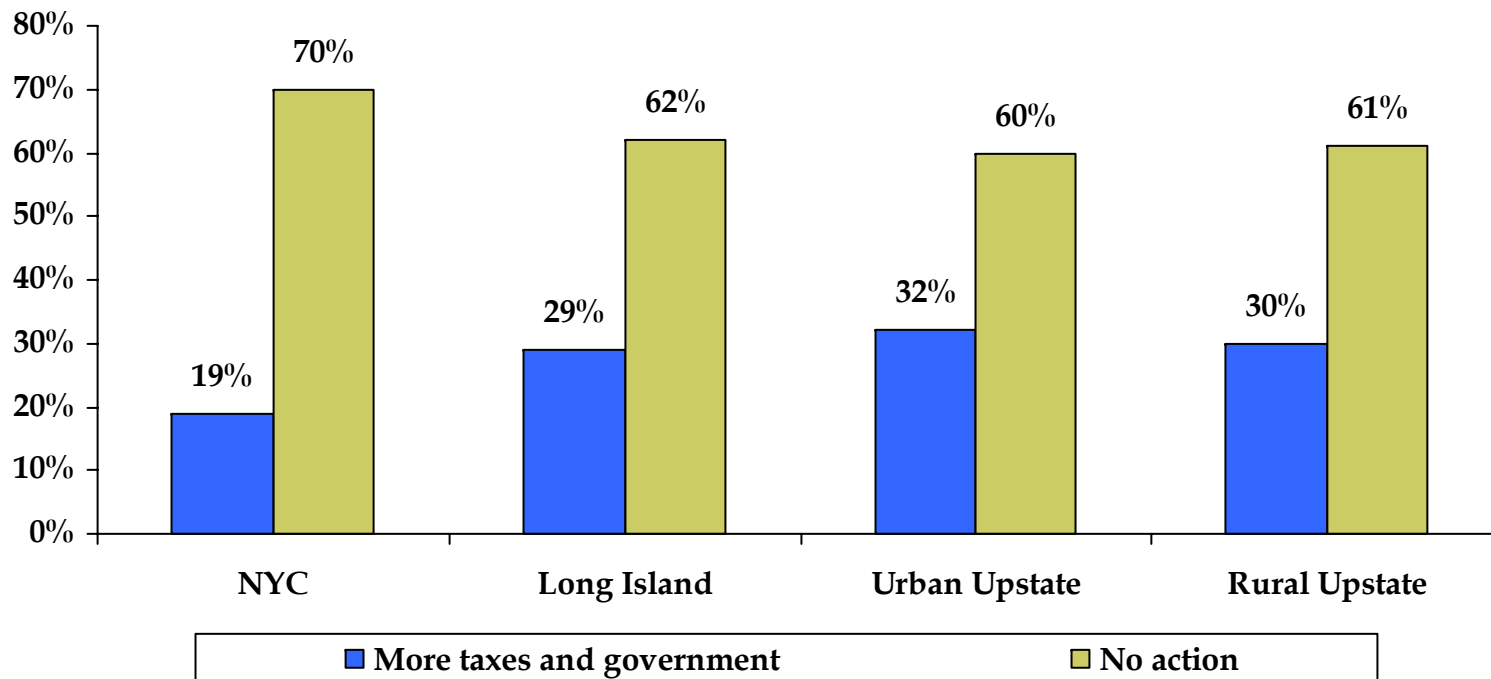
Again, thinking about health care in New York today, which are you more worried about, that health care reform will raise your taxes and create more government control OR that government **will not take any action to provide affordable access to health care for everyone**?\*



\*Split-sampled question

# Over 6 in 10 residents statewide say they are worried about no action on healthcare reform – 7 in 10 in NYC

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?/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 questions - COMBINED

# Findings from Statewide Polling by Lake/CSS

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## Finding #2: Health Hardships & Issues of Concern

- ❑ New Yorkers are Forgoing Healthcare for Lack of Money & Insurance
- ❑ New Yorkers are Concerned about Cost and Access to Healthcare

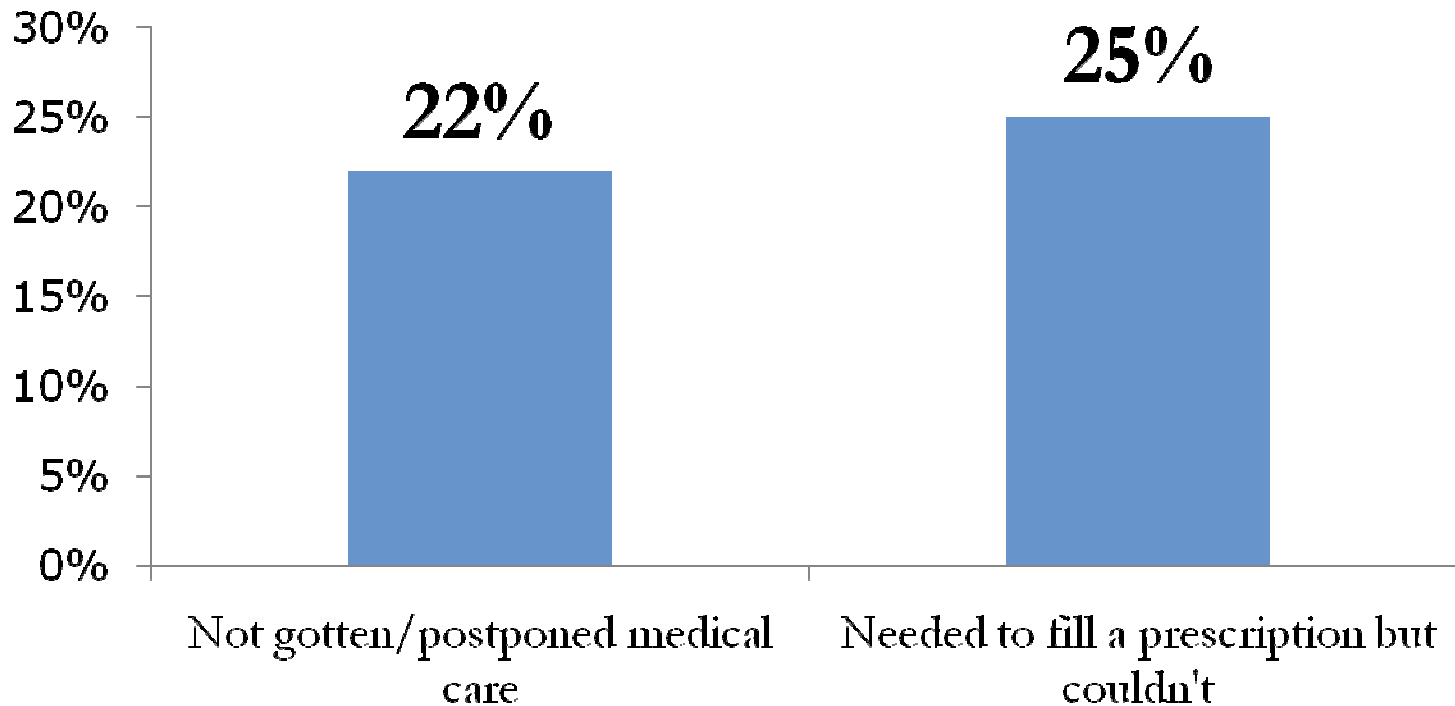
# New Yorkers have Multiple Health Concerns.

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- Twenty-two percent of New Yorkers postponed getting healthcare in the past year for lack of money or insurance
  - 25% failed to get a prescription for the same reasons
- New Yorkers report a number of serious healthcare problems and concerns
  - New Yorkers worry equally about access to health insurance and rising costs
  - Rural upstate New Yorkers and NYC residents show most concern about losing insurance

# New Yorkers are foregoing medical care and prescriptions due to lack of money and insurance.

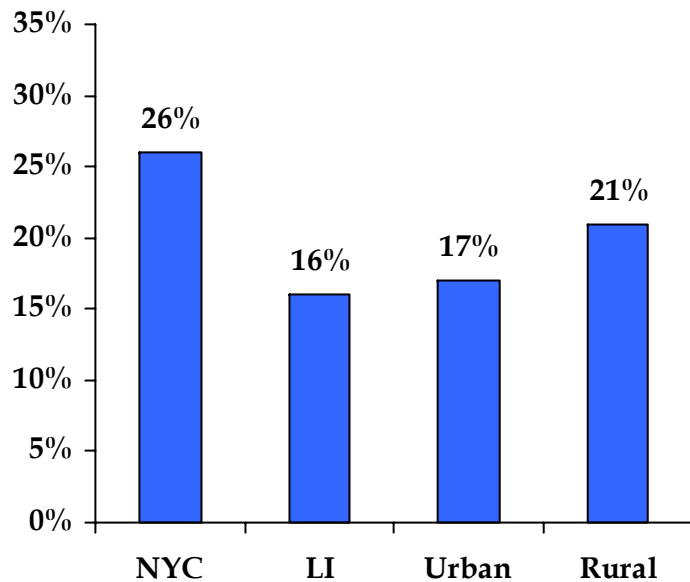
In the last year, have you or any member of your household not gotten or postponed getting medical care or surgery because of a lack of money or insurance? Needed to fill a prescription but couldn't because of a lack of money or insurance?



# Over one in four NYC residents report not getting or postponing medical care or surgery or being unable to fill a prescription because of lack of money or insurance; rural residents are not far behind.

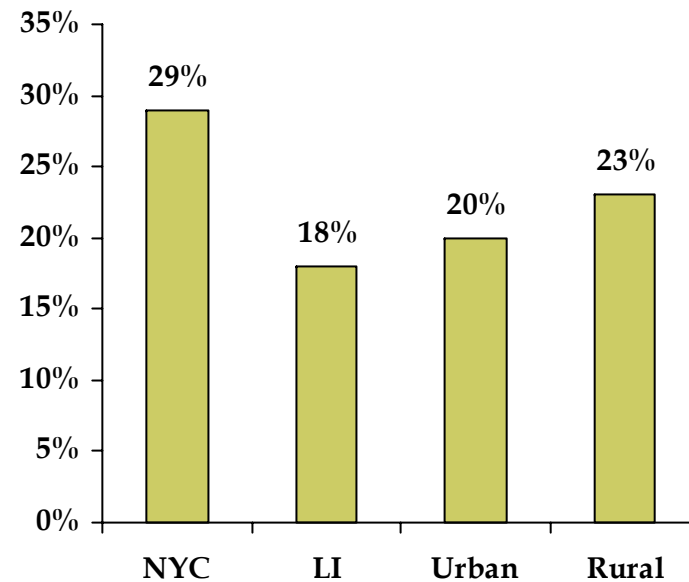
Now I'd like to talk about some of the problems that families have faced making ends meet in the last year. Please tell me if you have experienced some of the same difficulties. In the last year have you or any member of your household:

**Not gotten or postponed getting medical care or surgery because of a lack of money or insurance?**  
% YES



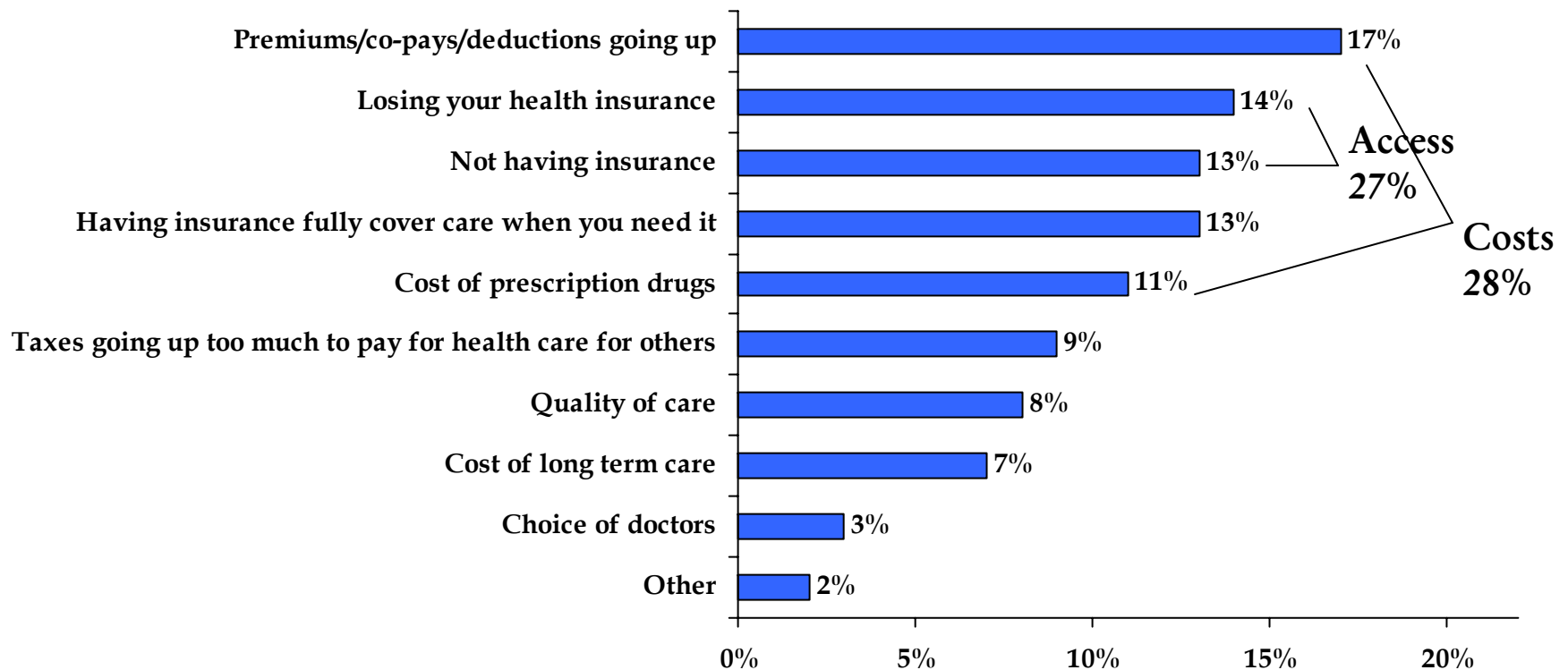
Now I'd like to talk about some of the problems that families have faced making ends meet in the last year. Please tell me if you have experienced some of the same difficulties. In the last year have you or any member of your household:

**Needed to fill a prescription but couldn't because of a lack of money or insurance?**  
% YES



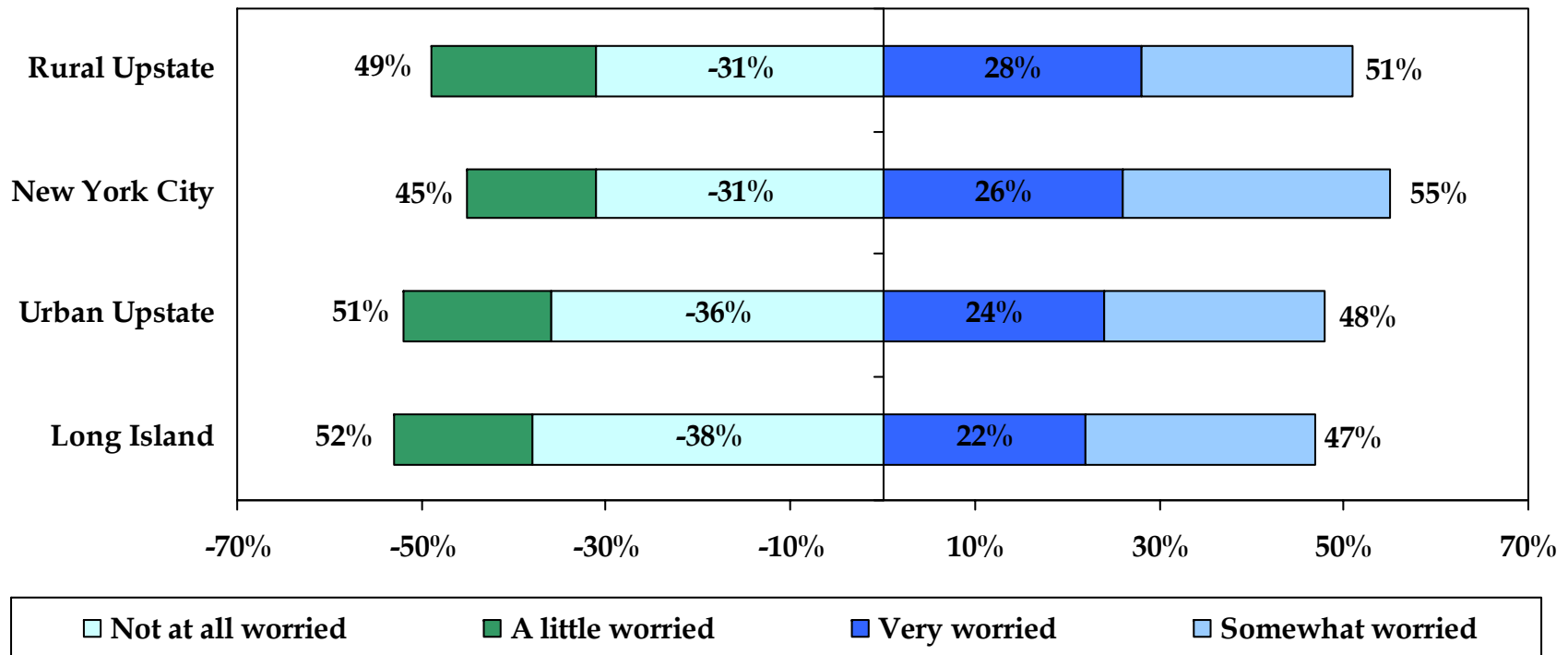
# New Yorkers are most worried about both cost of and access to health care. Concerns around access include losing coverage as well as not having insurance at all.

And thinking specifically about health care, what personally worries you the most?



# By region, residents in rural upstate and New York City show the greatest concern about keeping their insurance

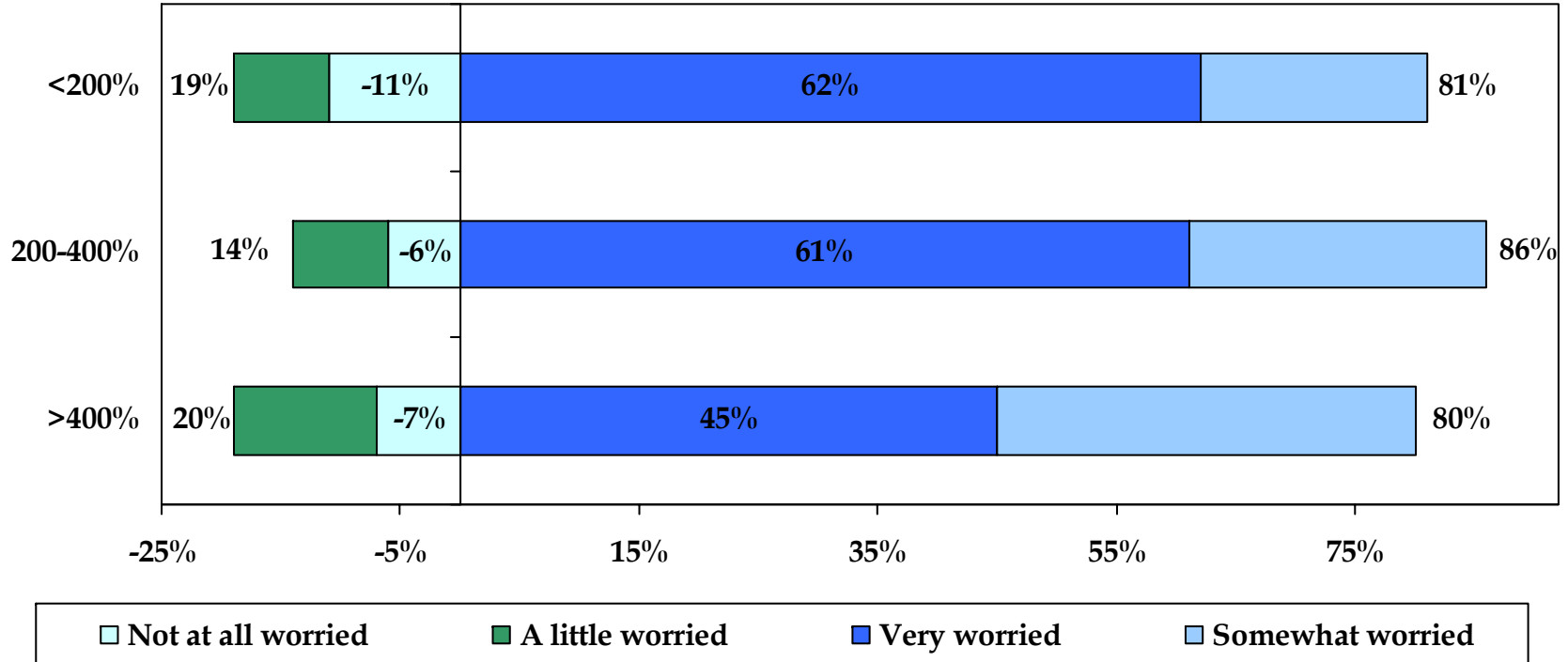
Thinking about you and your family, how worried are you about keeping your health insurance – very worried, somewhat worried, a little worried, or not worried at all?\*



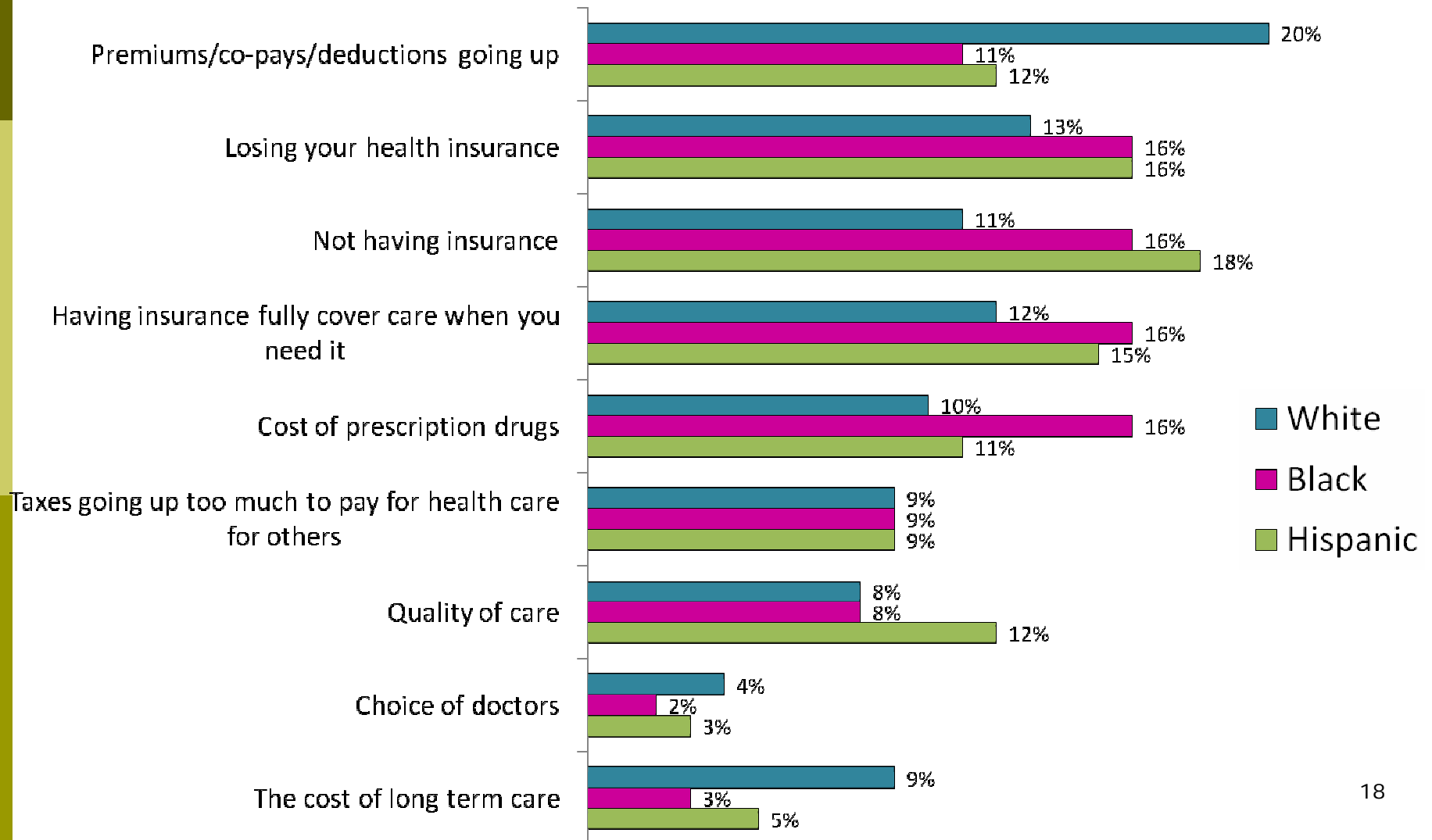
\*Asked of those who report having health insurance from Medicare, Medicaid, their job, or other health insurance.

# Most are worried about rising health care costs, though intensity is greatest among residents below 400 percent of the federal poverty level

How worried are you about rising health care costs - very worried, somewhat worried, a little worried, or not worried at all?



# Healthcare Worries by Race



Source: CSS Statewide Survey 2007, Q4.

# Findings from Statewide Polling by Lake/CSS

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## Finding #3: Health Policies

- ❑ New Yorkers Prefer to Build on New York's Public Insurance Programs Through Sliding-Scale Premiums
- ❑ New Yorkers Reject the Massachusetts Individual Mandate Model , but Respond Positively to Employer Mandates

# New Yorkers Speak to Health Reform

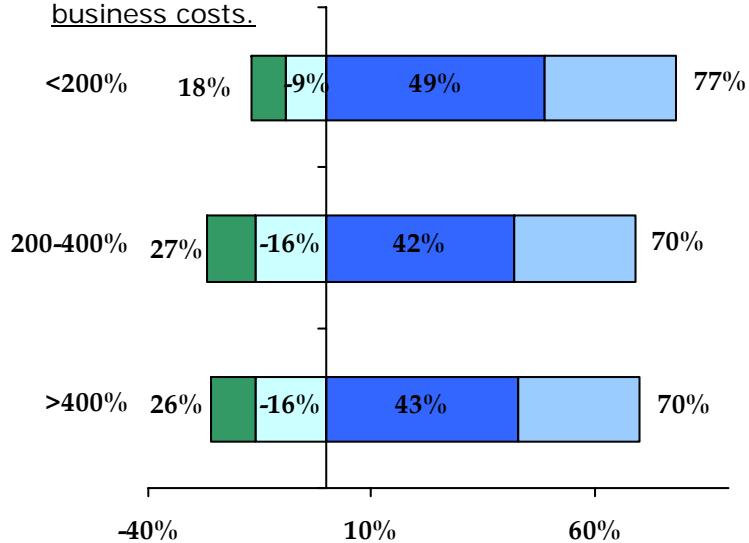
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- New Yorkers favor employer insurance mandates, but disfavor individual insurance mandates (like Massachusetts)
- New Yorkers best like those health reform proposals that ask people to pay on a sliding fee scale; they least like HSAs and “Consumer Directed Plans”

# Regardless of income level, New Yorkers favor employer mandates but dislike requiring individuals who are uninsured and ineligible for public insurance to purchase private health insurance

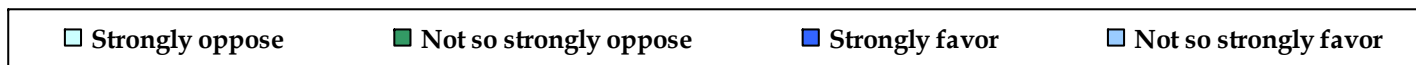
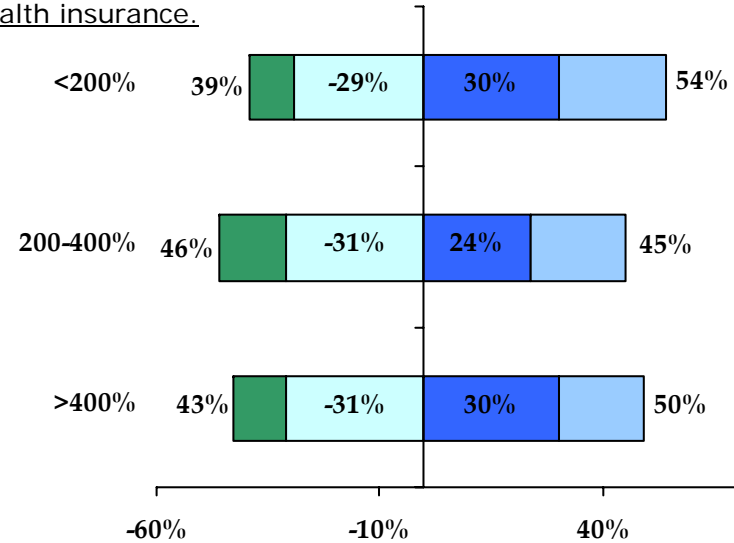
## Employer Mandates

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 employers to either provide health insurance to all employees or pay into a government fund to cover the uninsured, even if it means increasing business costs.



## Individual Mandates

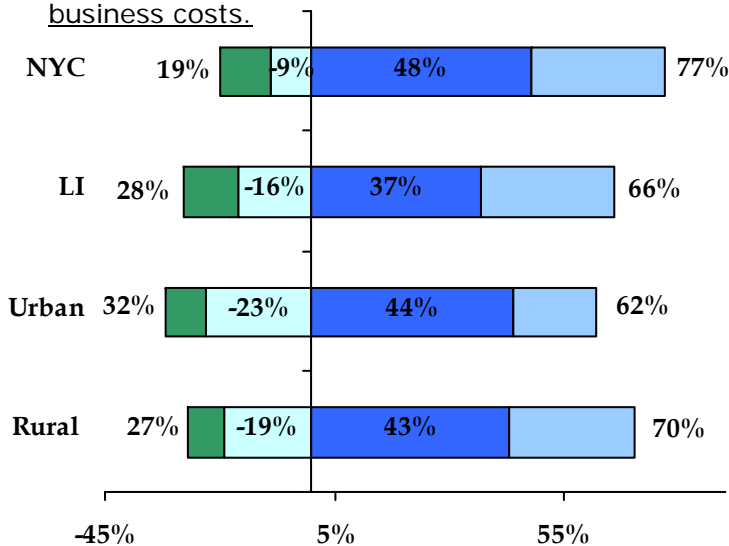
Now let me read you some different approaches to providing health insurance coverage to all New Yorkers. For each one, please tell me if you favor or oppose this approach: Requiring individuals who are uninsured and not eligible for public insurance like Medicaid, Child Health Plus or Family Health Plus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



# Upstate New Yorkers are Most Opposed to Individual Mandates

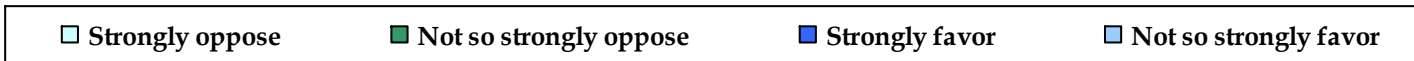
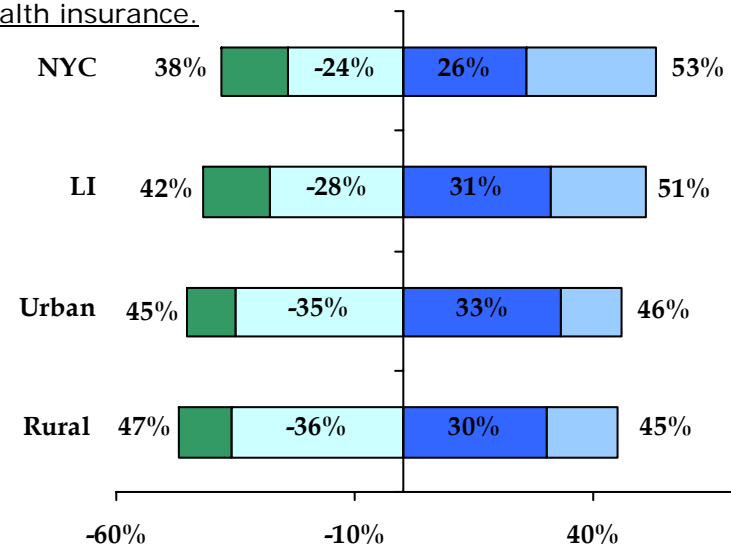
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Now let me read you some different approaches to providing health insurance coverage to all New Yorkers. For each one, please tell me if you favor or oppose this approach: Requiring employers to either provide health insurance to all employees or pay into a government fund to cover the uninsured, even if it means increasing business costs.



## Individual Mandates

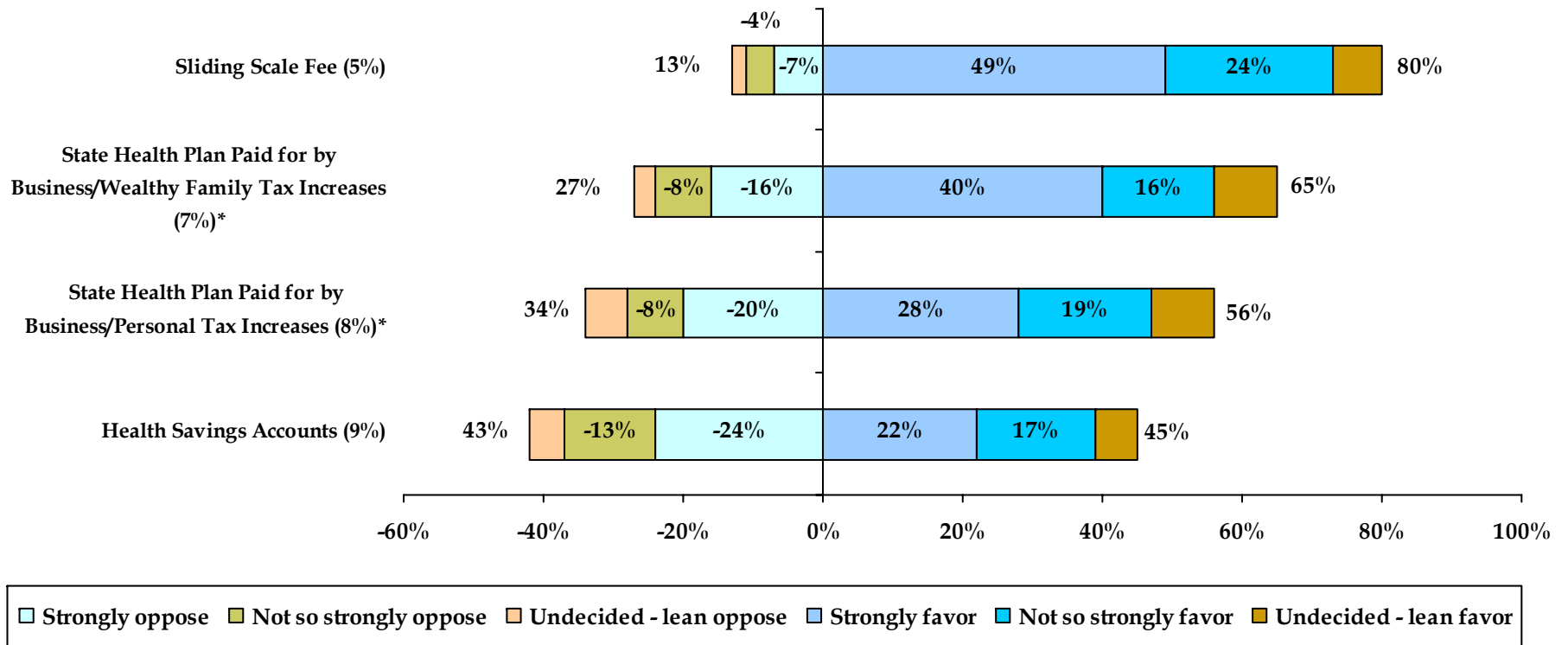
Now let me read you some different approaches to providing health insurance coverage to all New Yorkers. For each one, please tell me if you favor or oppose this approach: Requiring individuals who are uninsured and not eligible for public insurance like Medicaid, Child Health Plus or Family Health Plus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



Support and intensity of support is greatest around the sliding scale fee proposal, with almost half of New Yorkers saying they strongly favor this proposal. Residents also solidly support a 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)



\*Split-sampled question

# Cornerstone for Coverage: Building on New York's Strengths

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- Governor Spitzer has asked for building blocks towards universal health care
- CSS proposes a cornerstone that meets the needs of New York's working families
  - Available to everyone
  - Affordable, sliding-scale premiums
  - High-quality, comprehensive care
  - Available to individuals, families, employers & unions alike
  - Builds on NY's popular Child Health Plus program

# Cornerstone for Coverage: Program Design

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- Incremental approach with a goal of universal *access to* health coverage
- Affordable coverage for all (children and adults)
  - No income “cliffs”
    - Sliding scale premiums (0%-7% of family income) up to \$61,400/single & \$103,000/family of three;
    - Full premium buy-in thereafter
  - Covers immigrants, like CHPlus
  - Choice of insurance plans
  - Comprehensive benefits
  - Buy-in for employers, unions
  - No individual mandate
- Build on the success of CHPlus
  - Maximum purchasing power, minimum bureaucracy

# Comprehensive Benefits & Limited Cost-Sharing

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## Benefits

- ❑ Inpatient hospital care
- ❑ Outpatient primary and preventive care
- ❑ Prescription drugs
- ❑ Dental & vision
- ❑ Laboratory & diagnostic tests
- ❑ Emergency services
- ❑ Behavioral health and substance abuse treatment (with limits)
- ❑ Hospice care
- ❑ Durable medical equipment
- ❑ Reproductive health services

## Cost-Sharing

- ❑ Inpatient hospital: \$25
- ❑ Physician & dental visits: \$5
- ❑ Clinic visits: \$5
- ❑ Prescription drugs: \$6 (\$3 generics)
- ❑ No co-pays for:
  - Children
  - Emergency services
  - Prenatal, maternity & family planning services, and hospitals stays for reproductive health
  - MR/DD clinics

# Co-Premiums for Individuals

Yearly Income Range	Federal Poverty Level	Monthly Premium (% of Lowest Gross Income)
< \$16,336	0-161%	Free (0%)
\$16,336 – \$22,767	161-222%	\$18 (1.4%)
\$22,768 - \$25,626	223-250%	\$30 (1.6%)
\$25,627 - \$30,731	251-300%	\$50 (2.4%)
\$30,732 - \$35,836	301-350%	\$70 (2.8%)
\$35,837 - \$40,941	351-400%	\$100 (3.5%)
\$40,942 - \$51,151	401-500%	\$140 (4.3%)
\$51,152 - \$61,361	501-600%	\$200 (4.7%)
> \$61,361	>600%	\$253 ( $\leq$ 4.9%)

# Co-Premiums for Families

Yearly Income Range for Household of Three	Monthly Premium (% of Lowest Gross Income)		Yearly Income Range for Household of Four	Monthly Premium (% of Lowest Gross Income)
	Two Adults + One Child	One Adult + Two Children		Two Adults + Two Children
< \$27,472	Free (0%)	Free (0%)	< \$33,040	Free (0%)
\$27,471 – \$38,388	\$45 (2.0%)	\$36 (1.6%)	\$33,040 – \$46,048	\$45 (1.6%)
\$38,289 - \$43,095	\$75 (2.4%)	\$60 (1.9%)	\$46,049 - \$51,831	\$75 (2.0%)
\$43,096 - \$51,680	\$125 (3.6%)	\$100 (2.8%)	\$51,832 - \$62,156	\$125 (2.9%)
\$51,681 - \$60,266	\$175 (4.2%)	\$140 (3.3%)	\$62,157 - \$72,481	\$175 (3.4%)
\$60,267 - \$68,851	\$250 (5.1%)	\$200 (4.0%)	\$72,482 - \$82,806	\$250 (4.1%)
\$68,852 - \$86,021	\$350 (6.3%)	\$280 (4.9%)	\$82,807 - \$103,456	\$350 (5.1%)
\$86,022 - \$103,191	\$500 (7.0%)	\$400 (5.6%)	\$103,457 - \$124,106	\$500 (5.8%)
> \$103,191	\$632 ( $\leq 7.3\%$ )	\$503 ( $\leq 5.8\%$ )	> \$124,106	\$632 ( $\leq 6.1\%$ )

# Employer Buy-In Features

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- Builds off 2007 FHP “Buy-In” Law
  - Employees pay no more than Cornerstone for Coverage sliding-scale
  - Employers pay remainder after employee cost-sharing up to 70% of premium
    - Employers have option of paying more of employees’ share
  - State picks up remainder, if any
  - Cost-neutral if employers take up
- Assumes 5% of projected new enrollment
  - Moderate incentive for employers to offer
  - Individuals can access program directly

# Cornerstone for Coverage: Employer Buy-In Cost Sharing Structure

Proposed Employer Buy-In Cost Sharing -- Single Adult				
Maximum Monthly Individual Income	Average Total Monthly Premium Cost	Maximum Monthly Enrollee Co-Premium	Minimum Employer Share of Premium	Estimated State Share of Premium
\$1,361	\$253	No Co-Premium	70%	30%
\$1,897	\$253	\$18 (7%)	70%	23%
\$2,136	\$253	\$30 (12%)	70%	18%
\$2,561	\$253	\$50 (20%)	70%	10%
\$2,986	\$253	\$70 (28%)	70%	2%
\$3,412	\$253	\$100 (40%)	60%	0%
\$4,263	\$253	\$140 (55%)	45%	0%
\$5,114	\$253	\$200 (79%)	21%	0%
> \$5,114	\$253	Full premium	0%	0%

# Cornerstone for Coverage: Total Projected Enrollment

Total Projected New Enrollment Including Crowd-Out			
Income Range (Family of Three)	Enrollment of Newly Eligible Uninsured	Crowd-Out Enrollees	Total Projected Enrollment
< \$34,340	289,000	112,000	401,000
\$34,340 - \$51,681	223,000	230,000	459,000
\$51,682 - \$68,850	153,000	357,000	509,000
\$68,851 - \$86,021	108,000	108,000	216,000
\$86,022 - \$103,191	<i>108,000</i>	<i>108,000</i>	<i>216,000</i>
<b>Total</b>	<b>888,000</b>	<b>914,000</b>	<b>1,802,000</b>

Numbers may not sum due to rounding

Numbers in italics reflect estimation based on 400-500% FPL group

Source: MHS Enrollment and Cost Analysis

# Shared Responsibility for Financing: Family, Employers and Government

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Total Government Costs, Family and Employer Cost Sharing (dollars in millions)					
	New Enrollees	Total Program Costs	Family Cost Sharing	Employer Cost Sharing	Total Government Costs
Year 1	360,400	\$1,225.7	\$292.0	\$40.5	\$893.1
Year 2	720,800	\$2,451.4	\$584.0	\$81.1	\$1,786.3
Year 3	1,081,199	\$3,677.1	\$876.1	\$121.6	\$2,679.4
Year 4	1,441,599	\$4,902.8	\$1,168.1	\$162.2	\$3,572.6
Year 5	1,801,999	\$6,128.5	\$1,460.1	\$202.7	\$4,465.7

Numbers may not sum due to rounding

Source: MHS Enrollment and Cost Analysis

# Cornerstone for Coverage: Total State and Federal Costs

	Total New Enrollees - Previously Uninsured	Total New Enrollees	Total Government Cost (millions)	Average Monthly Government Cost per New Enrollee
<b>Adults</b>	855,330	1,736,824	\$4,428.5	\$212.48
<b>Children*</b>	32,588	65,175	\$37.2	\$47.59
<b>TOTAL</b>	887,918	1,801,999	\$4,465.7	\$206.52

	Total Government Cost (millions)	Government Costs Assuming <i>Maximum</i> Federal Share		Government Costs Assuming <i>Minimum</i> Federal Share	
		NY Cost	Fed Cost	NY Cost	Fed Cost
<b>Adults</b>	\$4,428.5	\$2,618.2	\$1,810.4	\$4,428.5	\$0
<b>Children*</b>	\$37.2	\$13.0	\$24.2	\$37.2	\$0
<b>TOTAL</b>	\$4,465.7	\$2,631.2	\$1,834.6	\$4,465.7	\$0

\*Proposal assumes children currently covered < 400% FPL. Enrollees represents children 400-500% FPL.

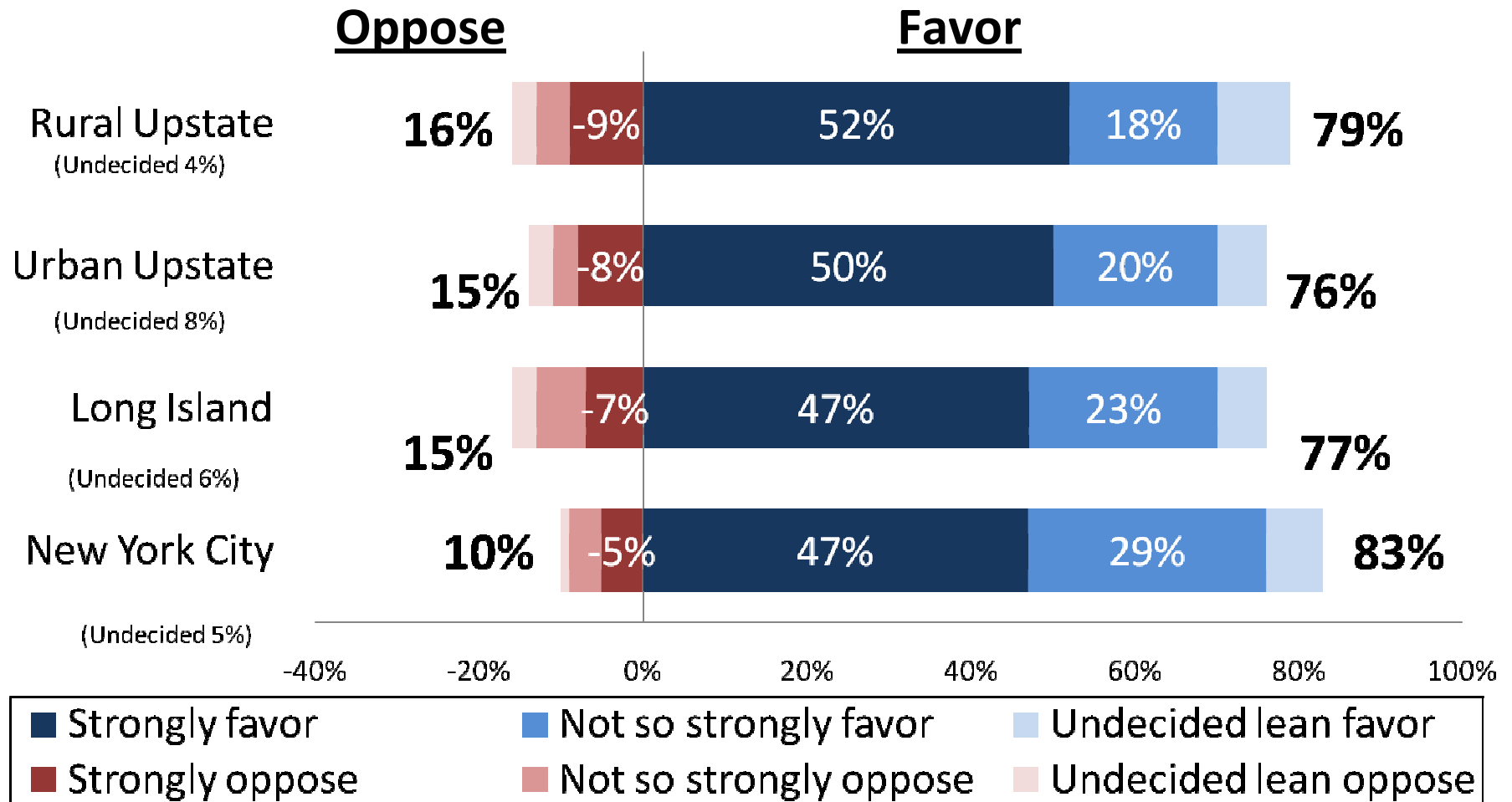
Source: MHS Enrollment and Cost Analysis

# Options for Making the Cornerstone Plan Fully Universal

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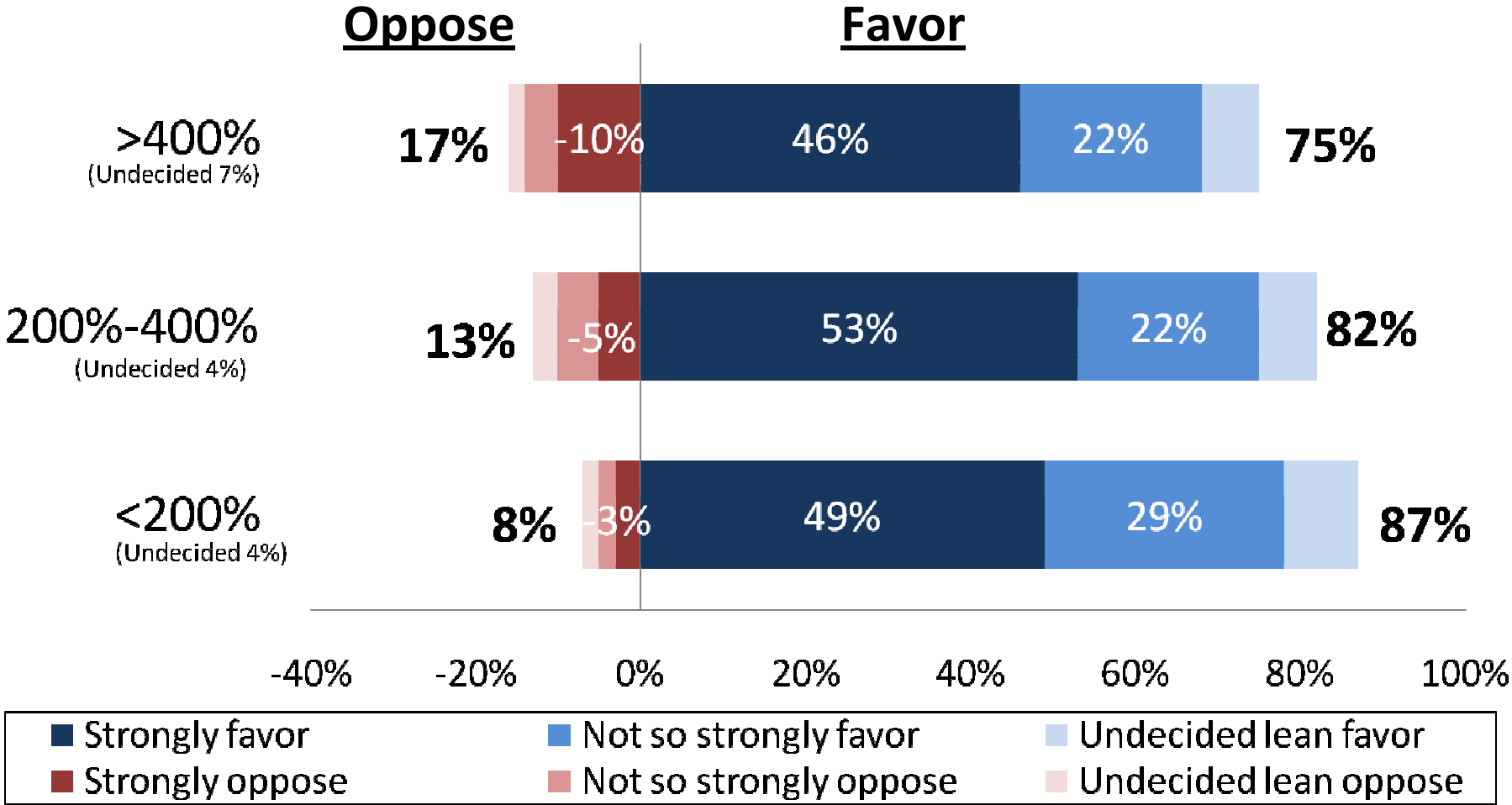
- Eliminate waiting periods
- Facilitate, reduce or eliminate co-premiums
- Automatic enrollment for all people who are uninsured
  - Individual Mandate?
  - Employer Mandate?
- Other issues
- Resolving financing implications of the above

# CSS Cornerstone (sliding scale) Proposal: Response by Region



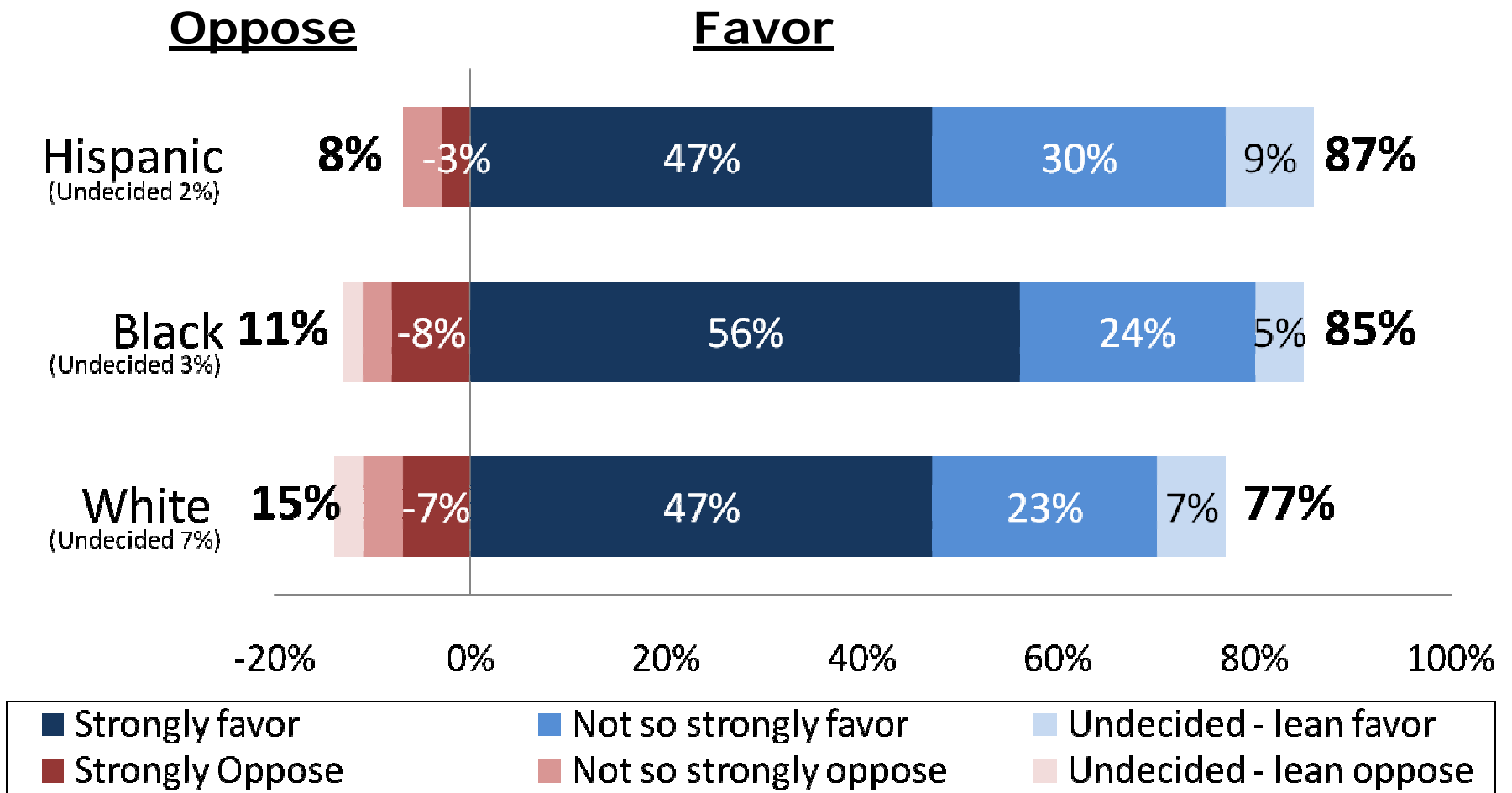
Source: CSS Statewide Survey 2007, Q33.

# CSS Cornerstone (sliding scale) Proposal: Response by % of Federal Poverty Level



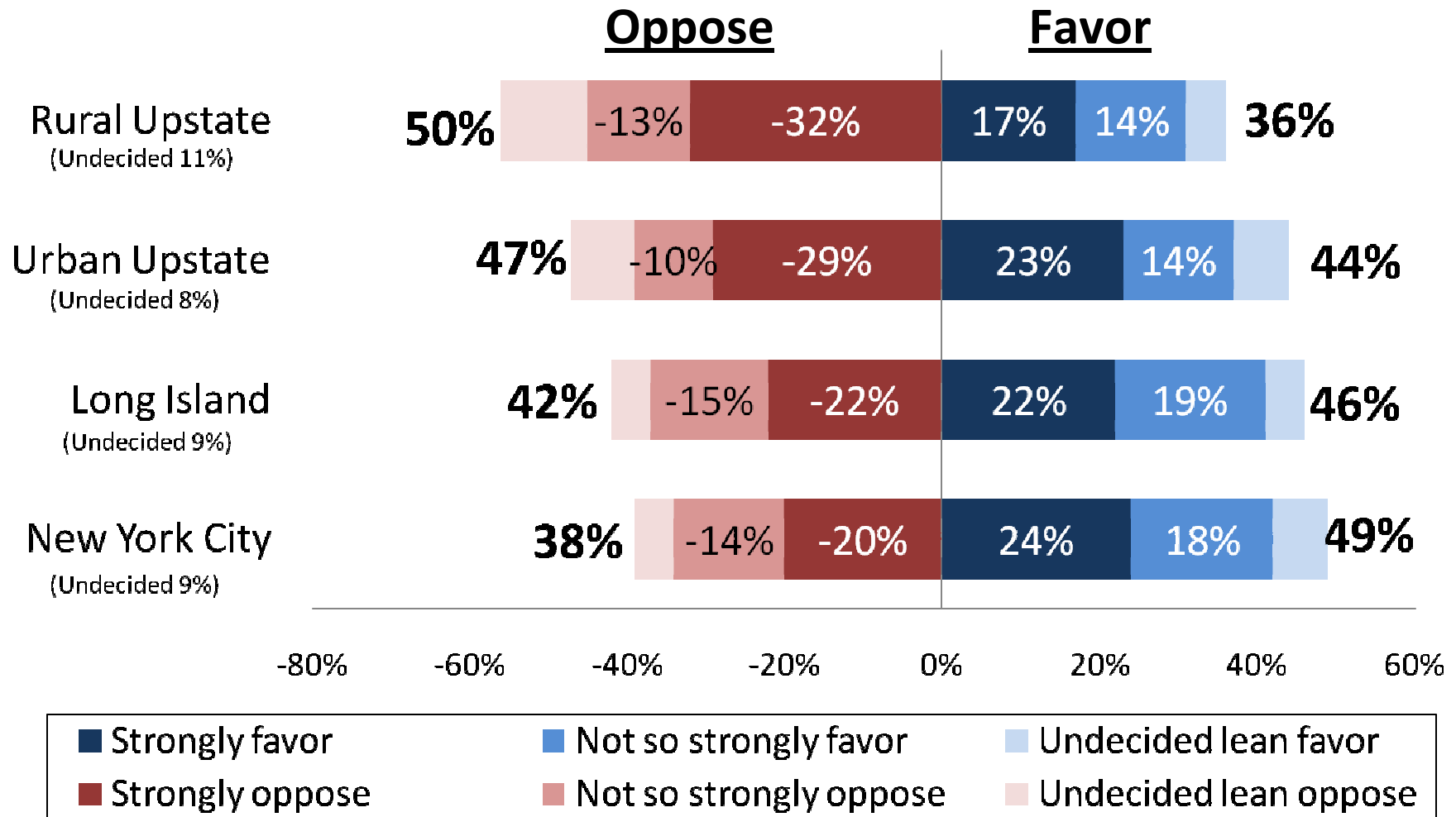
Source: CSS Statewide Survey 2007, Q33.

# CSS Cornerstone (sliding scale) Proposal: Response by Race



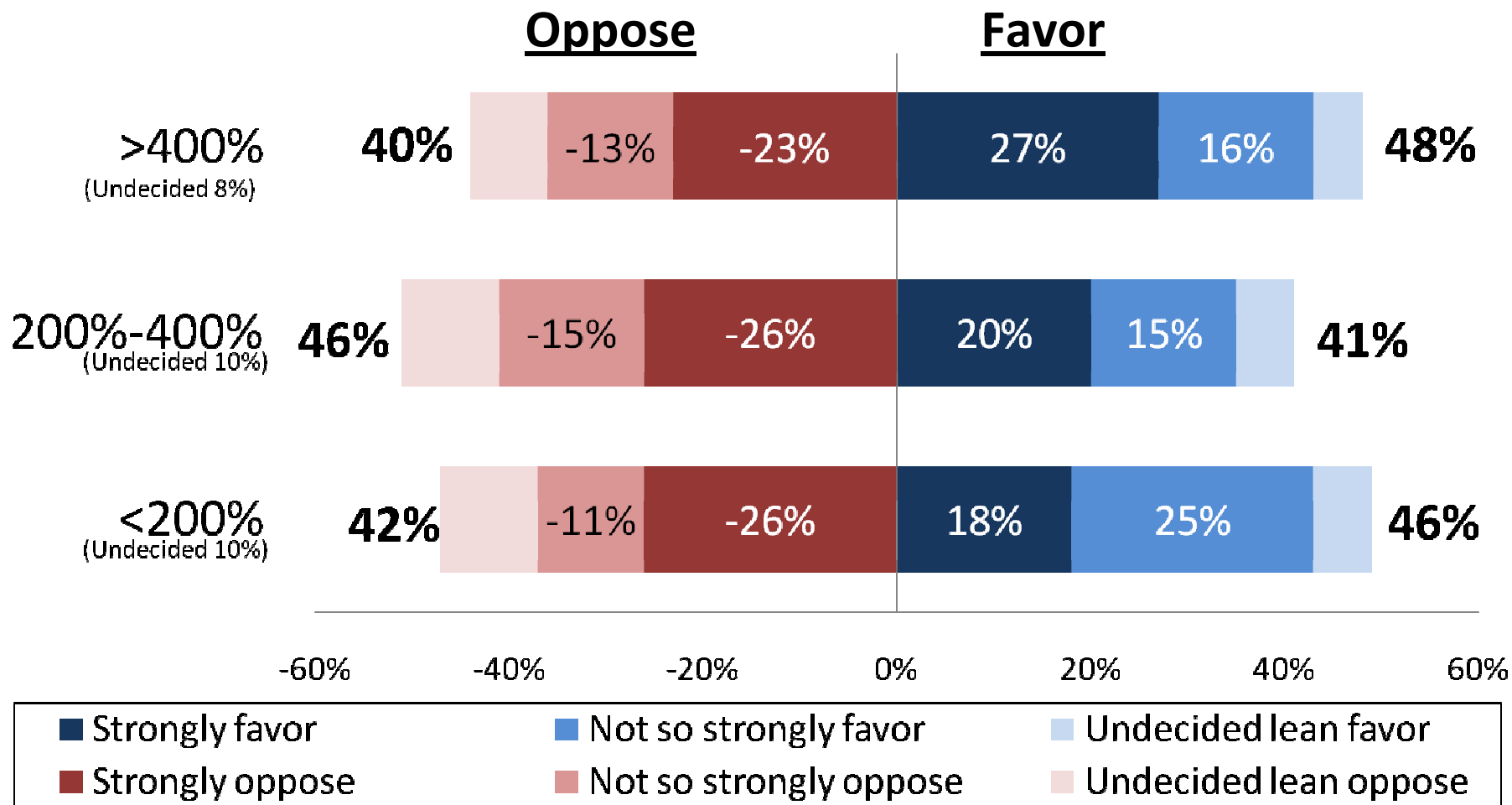
Source: CSS Statewide Survey 2007, Q33.

# Consumer-directed Proposal (HSAs): Response by Region



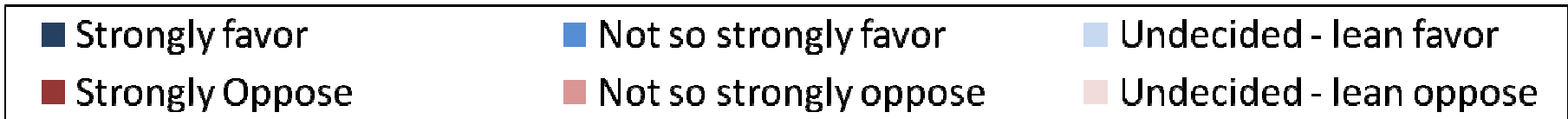
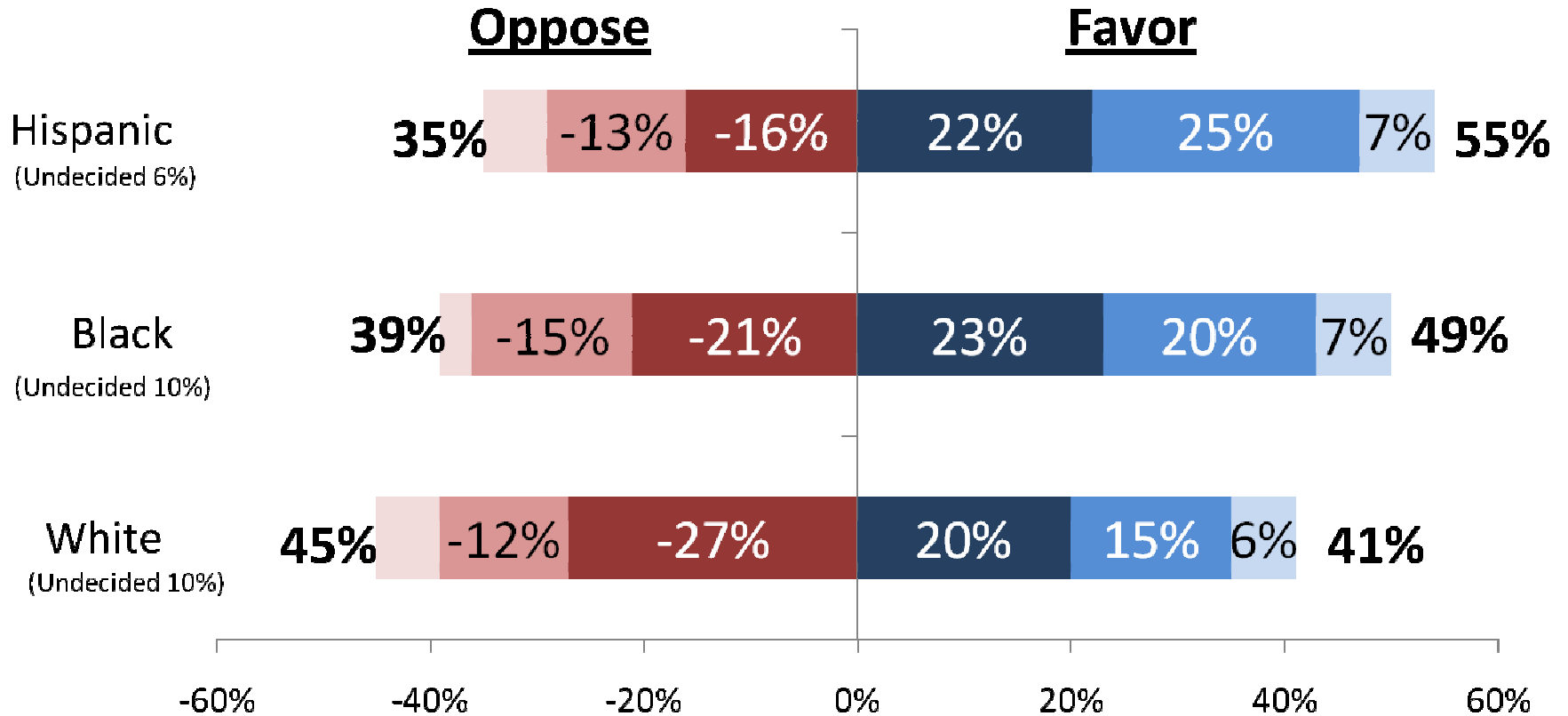
Source: CSS Statewide Survey 2007, Q36.

# Consumer-directed Proposal (HSAs): Response by % of Federal Poverty Level



Source: CSS Statewide Survey 2007, Q36.

# Consumer-directed Proposal (HSAs): Response by Race



Source: CSS Statewide Survey 2007, Q36.

# Special Thanks to:

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- ❑ The ***Nathan Cummings Foundation, United Hospital Fund,*** and the ***New York Community Trust*** for their support for our research work in the health coverage area
- ❑ Manatt Health Solutions
- ❑ Milliman
- ❑ Lake Research Associates
- ❑ Public Policy & Education Fund of NY
- ❑ Community Catalyst
- ❑ The New York Health Care for All Campaign leadership team (PPEF, Center for Working Families, MetroNY Health Care for All, NYFAHC, NYIC, ACS, CDF, CSS)
- ❑ The New Yorkers we interviewed

# The Community Service Society

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- For 160 years, CSS has been the leading voice on behalf of low- and moderate-income New Yorkers
  - CSS's mission is to bring the voices of low- and moderate-income New Yorkers to the policy conversation
  - To learn more about our Universal Health Coverage Campaign, please go to our website: [www.cssny.org](http://www.cssny.org) or call Elisabeth Benjamin at: (212) 614-5461 or Arianne Garza at (212) 614-5541.

# Appendix A (1 of 2):

## New York's Uninsured

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- 2.5 million (13%) New Yorkers are uninsured, even though NY spends more per capita on health than any other state in the nation
- Uninsured more likely to be:
  - Adults, 2.1 million (18% of all NY adults)
  - Low-income, (49% of uninsured are below 200% FPL)
  - Immigrants, (30% of uninsured)
- 54% of uninsured live in NYC; 46% live in rest of state

# Appendix A (1 of 2): Racial Disparities & New York's Uninsured

	Total Pop. By Race (19-64)	Race as % of Total State Pop. (19-64)	# Uninsured by Race (19-64)	Uninsured % of Total Pop. by Race (19-64)
White Only (non-Hispanic)	7,227,729	61.0%	946,307	13.1%
Black Only (non-Hispanic)	1,694,106	14.3%	351,484	<b>20.7%</b>
Hispanic	1,857,041	15.7%	571,220	<b>30.8%</b>
Asian/Pacific Islander Only (non-Hispanic)	960,094	8.1%	223,979	<b>23.3%</b>
Other/Multiple Races (non-Hispanic)	103,466	0.9%	21,578	<b>20.9%</b>

\*Total State Pop. Age 19-64 = 11,842,436

Source: Total Population from 2007 Current Population Survey, Annual Social and Economic Supplement, weighted by 2005-2007 ASEC. All errors due to rounding.

# Appendix B (1 of 6): CSS's Methodology on Affordability

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- *Quantitative Analysis—Polling*
  - *Targeted Health Poll (November '07)*
  - *Unheard Third (NYC annual poll, July-August '07)*
- *Qualitative Analysis through Convenience Samples*
  - *Summer-Fall '07 (NYC, LI, Binghamton, Kingston, Rochester, Buffalo, Albany, Poughkeepsie)*
- *MEPS Analysis*
  - *National data base on health expenditures*
  - *Analysis by Manatt Health Solutions*

# Appendix B (2 of 6): Polling Methodology

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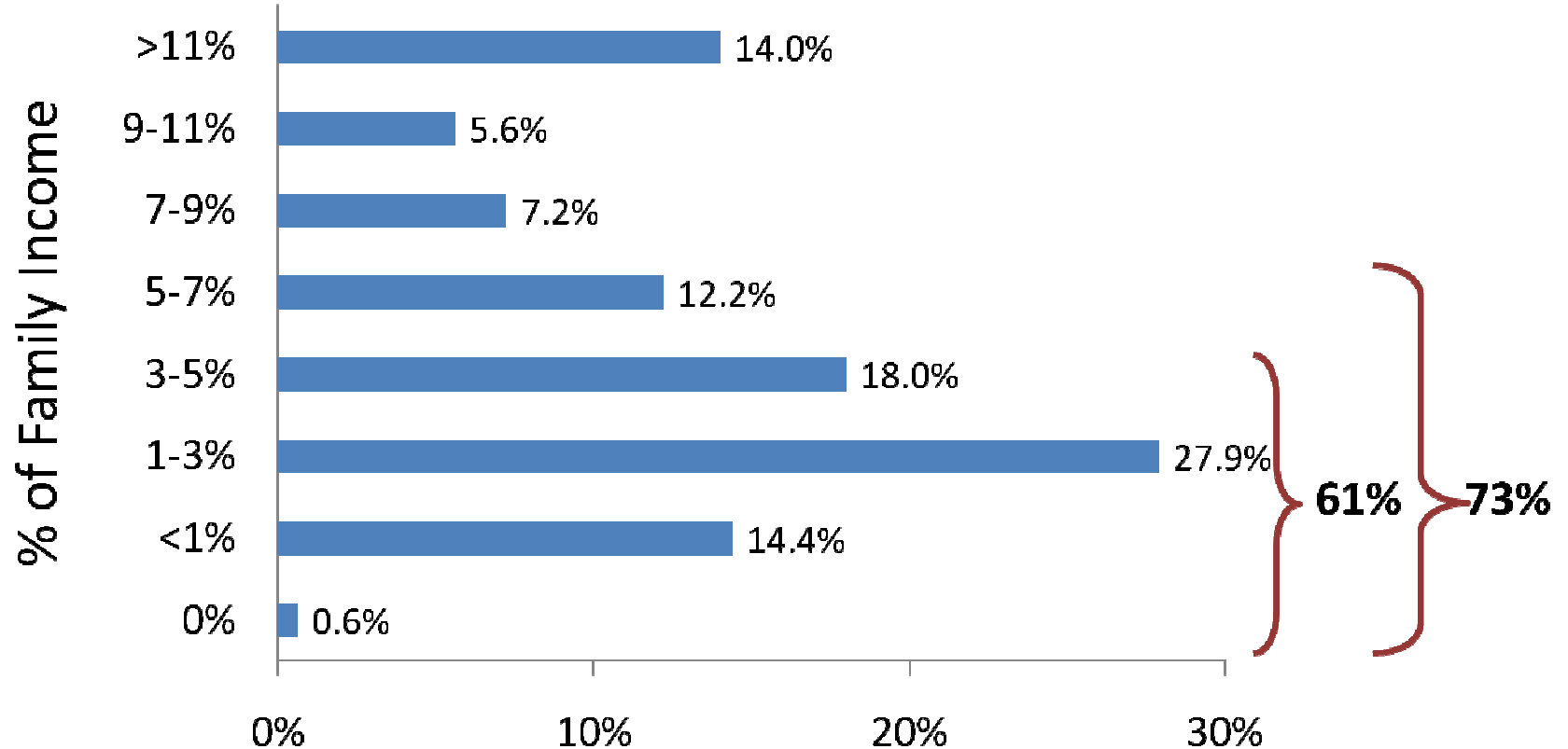
Lake Research Partners designed and administered this survey which was conducted by phone using professional interviewers. The survey reached a total of 1619 New York residents, including 406 in New York City, 402 in Long Island, 411 in Urban Upstate, and 400 in Rural Upstate. The survey was conducted from November 6<sup>th</sup> through November 21<sup>st</sup> and also November 26<sup>th</sup> through November 27<sup>th</sup>.

Telephone numbers for the survey were drawn using random digit dial (RDD). The data were weighted slightly by gender, age, region, race, FPL, and education for each region in order to ensure that it accurately reflects the demographic configuration of these populations. In the combined totals, respondents in each region were weighted to reflect their actual proportion among all New York residents.

In interpreting survey results, all sample surveys are subject to possible sampling error; that is, the results of a survey may differ from those which would be obtained if the entire population were interviewed. The size of the sampling error depends upon both the total number of respondents in the survey and the percentage distribution of responses to a particular question. The margin of error for the full survey is +/- 2.5 percent. The margin of error for each region is +/- 4.9 percent.

## Appendix B (3 of 6): MEPS Analysis -- Three-quarters of the NE regional population pays less than 7% on health care costs

**Family Medical Expenses as Percent of Family Income  
(premiums & other).**



Source: Medical Expenditure Panel Survey (MEPS).

# Appendix B (4 of 6): CSS's Early Polling Results: Affordable Insurance Is Important

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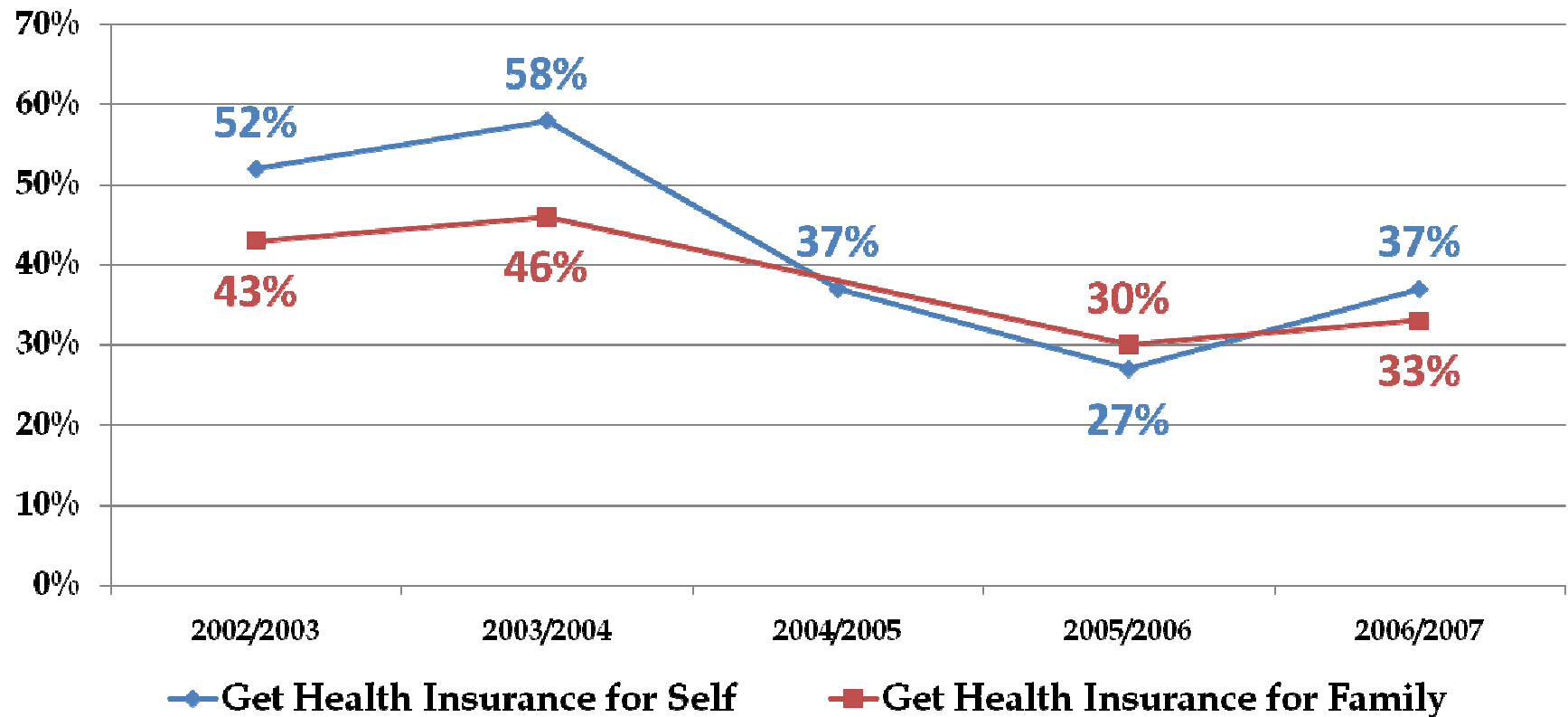
Initial Lake Research/CSS polling data in NYC show:

- ❑ Affordable Health Coverage is an Urgent Need
  - Health care and drug costs are biggest personal worries
  - Many delay or postpone getting care
  - Many adults and children experience periods without insurance in a year
- ❑ Employer-Sponsored Insurance (ESI) is declining
  - Nearly 22% of working low-income respondents who were offered ESI, wanted it, but couldn't afford it
- ❑ Coverage is a Policy Priority
  - More than 9 out of 10 believe affordable insurance should be a priority for the federal government
  - Respondents favor expanding public insurance, even if it means increasing taxes
  - Employer mandates resonate, but individual mandates do not poll strongly

Source: CSS "Unheard Third" 2007

## Appendix B (5 of 6): NYC, Like Rest of the Nation, Has Declining ESI

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



Source: Unheard Third 2007, Q.42.

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

# Appendix B (6 of 6): A Qualitative Discussion in New York

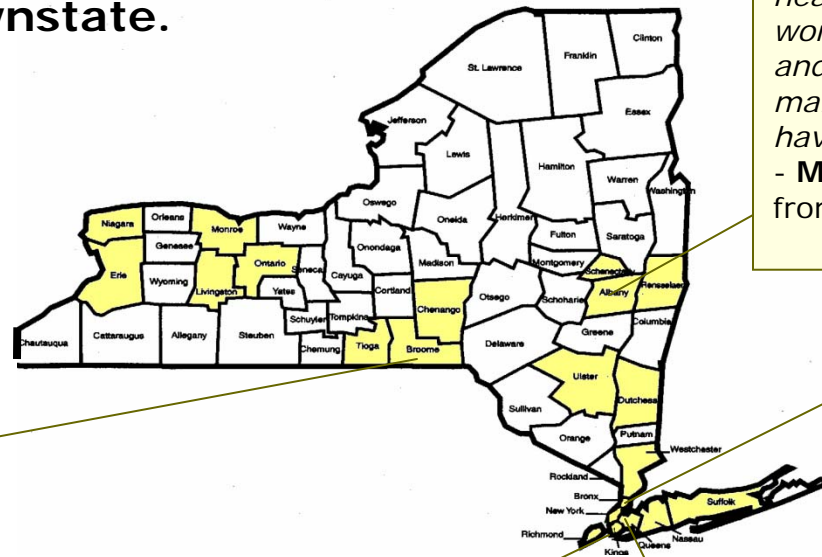
CSS surveyed 258 respondents representing a wide range of rural and urban locations, both upstate and downstate.

*"I don't usually go to the doctor because I can't afford to pay for the appointment or the tests I need to have done. It is very discouraging..."*

- **Kate**, an uninsured self-employed 34 year-old from Binghamton, NY

*"The deductibles are so high that I can't afford to use my insurance. Every year we have a \$2,000 deductible. On paper, we have insurance. But in reality, I don't have access to it."*

- **Rodney**, a 45 year-old screenwriter from Brooklyn, NY.



*"I have worked at a job where I made \$7.14/hr. and my family plan cost me nearly \$200 every two weeks. I now work for the State earning much more and only pay \$90 every two weeks. It makes no sense and families should not have to go into debt to stay healthy."*

- **Melissa**, a 38 year-old State worker from Albany, NY.

*"I was an administrative assistant earning \$45,000/yr. [before being laid off]. I could not afford to buy COBRA...I had to stop purchasing my medicine for glaucoma and going to the doctor."*

- **Sandra**, a newly-uninsured 50 year-old woman from the Bronx, NY.

*"When I need to [pay for health care] I go and sell my shoes and my clothes and pay about \$300."*

- **Anonymous**, an uninsured 26 year-old immigrant kitchen worker residing in Queens, NY.

# Appendix C: Premium Determination Milliman Consultants & Actuaries

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- Per member per month full premium rates estimate for 2008
  - Single adult: \$253
  - Couple: \$507
  - Adult w/child or children: \$464
  - Family: \$802
- Adjustments from 2006 CHPlus & FHPlus costs for:
  - Higher income levels, age and gender, morbidity levels, administrative costs
  - Maternity benefit

## Appendix D (1 of 4):

### Cornerstone for Coverage: Baseline Assumptions

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- Cost and enrollment of the eligible uninsured are not included in the Cornerstone for Coverage estimates
  - Assumes CHPlus expansion to 400% of FPL has occurred
  - Public insurance simplification & streamlining issues are already addressed
- Assumes no federal match for many immigrants

## Appendix D (2 of 4)

# Program Design: Addressing Crowd-Out Issues

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- ❑ Crowd-out limiting features
  - Six-month waiting period (with current exceptions, and possibly extending affordability exception to adults, like Illinois)
  - Cost sharing:
    - ❑ Progressive, based on family income
    - ❑ Approaches average ESI cost-sharing at 300% of FPL
- ❑ No research or experience with crowd-out for people at moderate & higher incomes
  - As income levels increase, so do rates of private coverage; increasing the pool of people who may drop private coverage (+)
  - However, progressive cost-sharing that meets or exceeds average contributions for private coverage are likely to deter crowd-out (-)
  - Waiting periods further decrease crowd-out (-)

## Appendix D (3 of 4): Crowd-Out Assumptions

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- Current crowd-out estimates for new enrollees\*
  - 30% of crowd-out up to 200% of FPL
  - 50% crowd-out between 200-300% of FPL
  - 70% crowd-out between 300-400% of FPL
  - 50% crowd-out between 400-600% of FPL

\* Based on existing academic research, citations available upon request.

## Appendix D (4 of 4):

### Cornerstone for Coverage: Enrollment Assumptions

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- Phased-in enrollment projection
  - 20% of projected enrollees enroll per annum over 5 yrs
  - 5% premium increase per annum
- Take up assumptions among uninsured
  - Adults (60%); children (85%)
  - Cost sharing decreases take up
  - Waiting periods decrease take up

## Appendix E (1 of 6): Cornerstone for Coverage Proposal in Relation to Other Proposals

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- Assemblymember Gottfried
- Massachusetts
- HealthyNY
- New York Insurance Industry Proposals

## Appendix E (2 of 6): Cornerstone Proposal in Relation to Assemblymember Gottfried

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- ❑ Assemblymember Gottfried's proposal is more ambitious
- ❑ Cornerstone is a logical building block to Assemblymember Gottfried's proposal
- ❑ There are important distinctions, such as:
  - True universal coverage v. universal access
  - Fee-for-service option v. managed care only
  - No direct cost-sharing v. sliding scale premium
  - Parallel ESI v. partners with ESI/Buy-in
  - Financing: tax based v. premium based

# Appendix E (3 of 6): The Massachusetts Model

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- ❑ Cornerstone complements Mass. in some ways
  - CSS builds out the public component beyond 300% of FPL and employers
- ❑ Cornerstone is more affordable
  - MA model 5%-10% of gross-income
  - Studies and experience shows unaffordable; populations had to be exempted
- ❑ Massachusetts is problematic for NYS because built on strong ESI base (MA is #8; NY is #30+)
  - NY has larger base of low-wage workers
  - More diverse & poorer: 1.8 million v. 514,000
  - Among full-time low-wage workers 37% (NY) are uninsured v. 27% (MA)
  - Less bargaining power
- ❑ Mandates are problematic (equity, enforcement issues)

# Appendix E (4 of 6): Cornerstone v. HealthyNY

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- Cornerstone proposal can co-exist with current HealthyNY program
- But important distinctions
  - Cornerstone provides affordable coverage for working families
    - Reasonable co-premiums
    - No high deductibles or expensive co-payments
  - Cornerstone provides comprehensive coverage
  - Cornerstone provides more value for the money

## Appendix E (5 of 6): Cornerstone Plan Provides More Value Than HealthyNY

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### Cornerstone

- Cost shared by member and State
- Total costs: \$253 pm/pm (2008 projection)

### □ Healthy NY

- Costs the State \$67.60 pm/pm for reinsurance corridor (2008 trended projection)
- Costs individuals \$229.64 pm/pm (average statewide individual premium, 2008 trended projection)
- Total cost: \$297.24 pm/pm (2008 projection)

- Cornerstone costs \$44 pm/pm less than HealthyNY (15% less)

## Appendix E (6 of 6): Insurance Industry Proposals

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- Cornerstone fills gap for working family left by insurance industry proposals
  - Proposal to merge direct pay and small group markets estimated to lower direct pay premiums by 29%, and increase small group premiums by 9%
  - But even at 29% discount the individual direct pay premiums are so high that they remain unaffordable for individuals and families below 400% of FPL
  - HSAs/high-deductible plans do not provide comprehensive coverage