



State Coverage Initiatives National Meeting
Health Care Reforms: Re-examining State Strategies

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Washington, DC



Healthy NY

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Background

- Market-based initiative
- Use of tobacco funds
- Reinsurance to reduce premiums
- Streamlined benefit package
- Small businesses
- Sole proprietors
- Individuals
- Eligibility criteria
 - Uninsured
 - Most vulnerable / low income / low wage



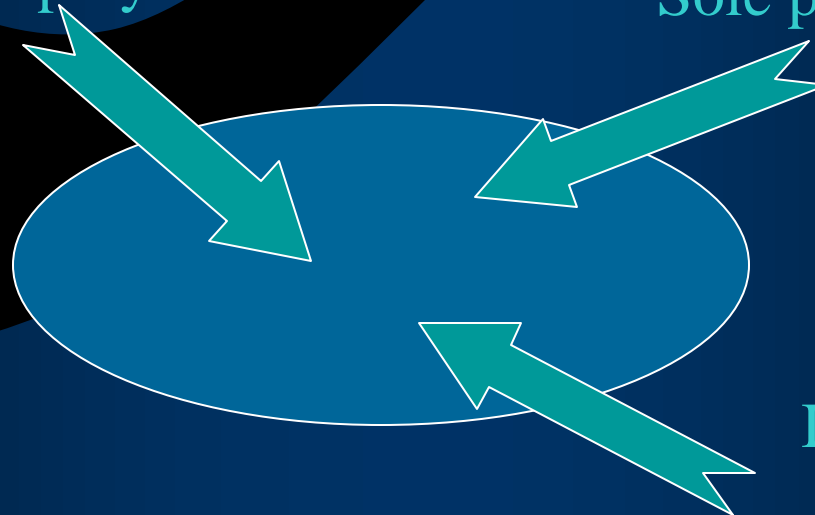
Unique Elements

Experience is pooled together
Everyone pays the same premium rates

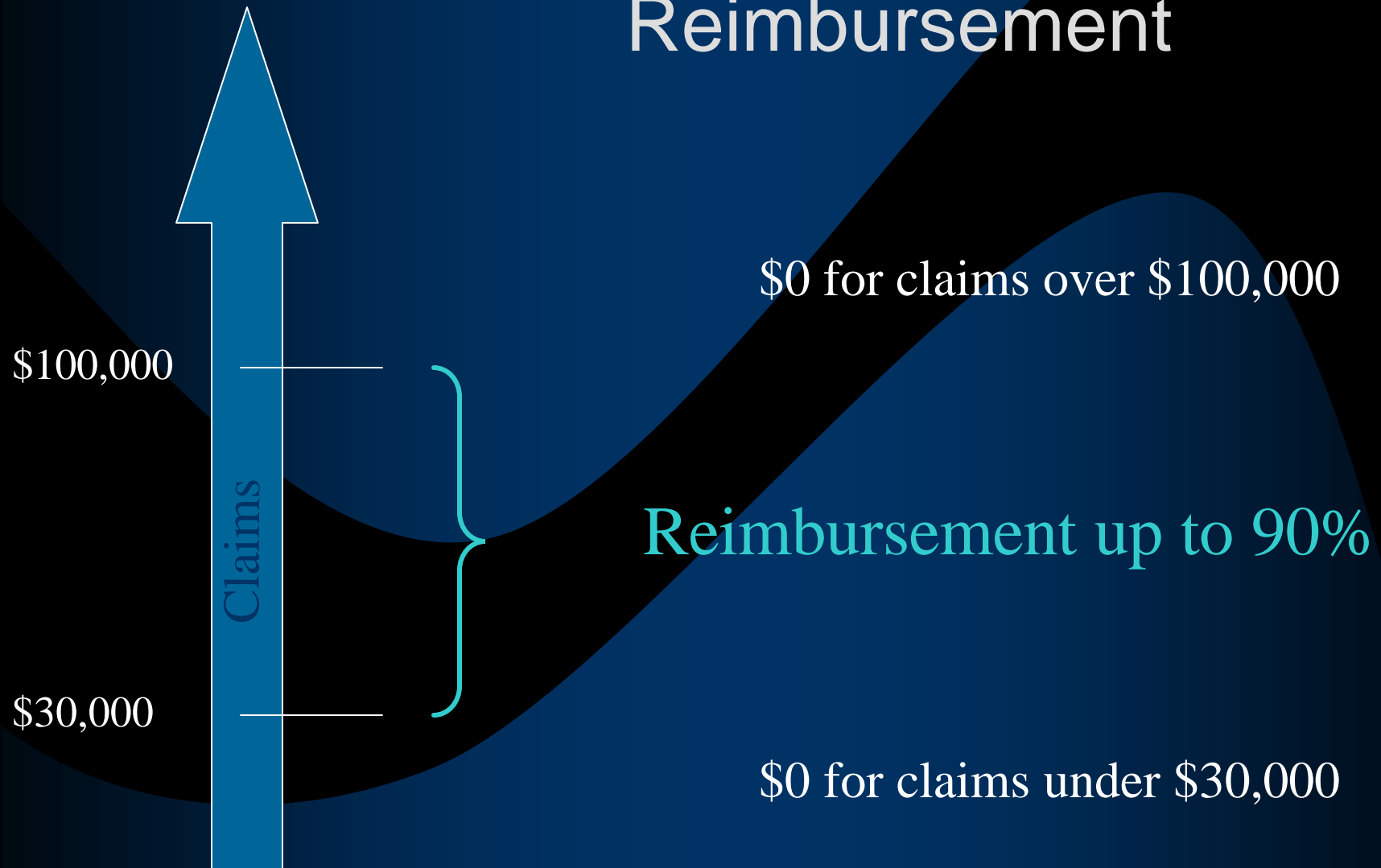
Small employers

Sole proprietors

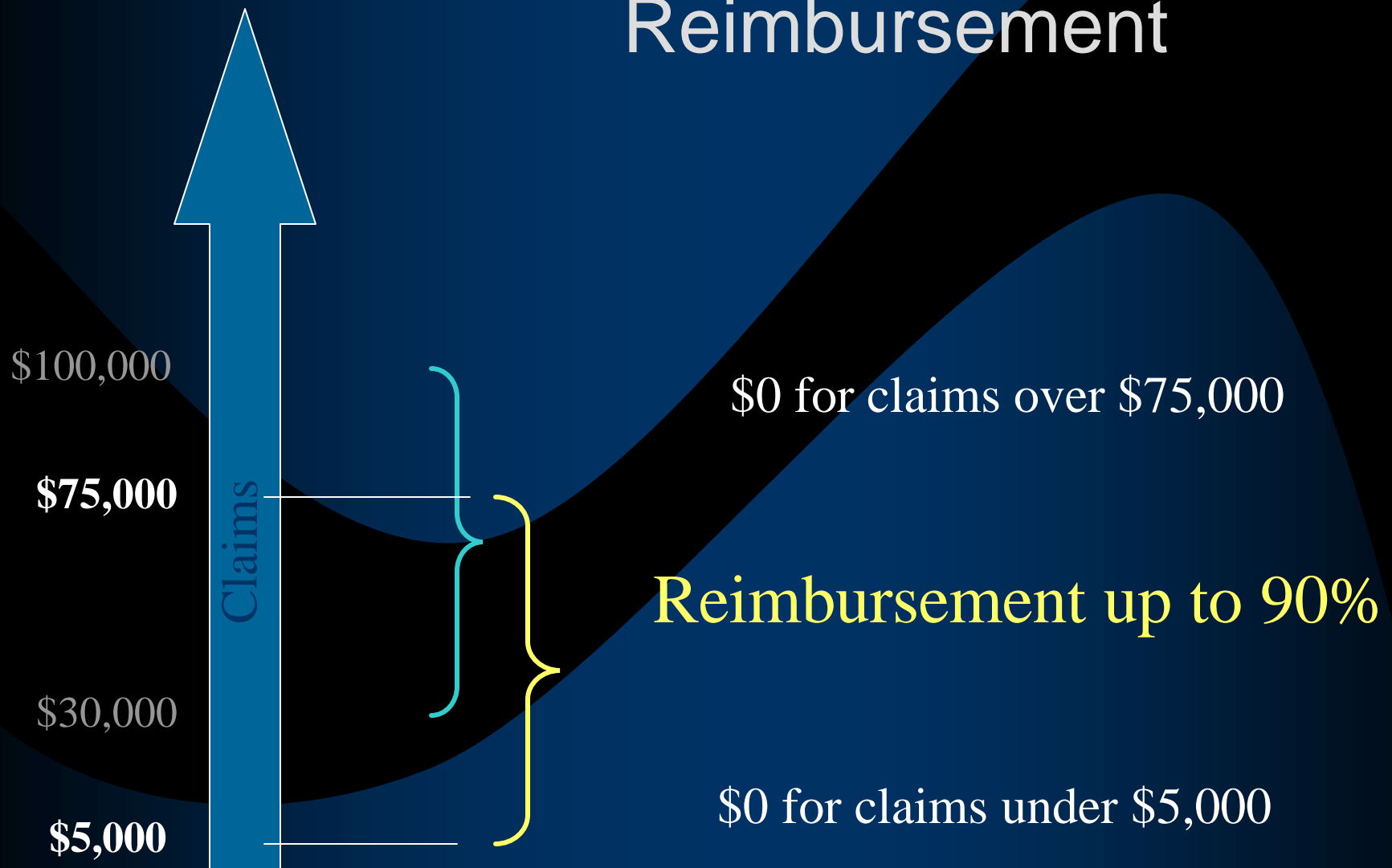
Individuals



Original Stop-Loss Reimbursement



Current Stop-Loss Reimbursement



2003 Program Enhancements

- **Stop-loss corridors**
 - From \$30k - \$100K to \$5k - \$75k
 - Instant premium reduction of 17%
- **Offered a no-drug option**
 - Can save another 12% of premium

2003 Program Enhancements

- **Employer crowd-out**
 - Allowed employers that provide only a *deminimus* contribution toward existing coverage to enroll in HNY
(≤\$50 per employee per month)
- **Changes for Individuals**
 - Employment Standard eased
 - HNY is now a qualified plan for the federal Health Coverage Tax Credit



Implementation

- Regulations
- Contract with RFP for fund administrator
- Subscriber contract approvals
 - Model contract language developed and provided to health plans
- Rate approvals
- Guidance to plans
 - training on eligibility and program rules, reporting requirements
- Establish toll-free hotline / hire answering service
- Outreach, public awareness
 - advertising
 - Healthy NY consumer guide
 - establish website



What We've Learned

- Healthier population than expected
 - Claims for first two years of program very low
- SL claims corridors: lowered
 - \$ 30,000 - \$100,000
 - \$ 5,000 - \$ 75,000
- Crowd-out: 6 month period, rather than 12 months
- Program life: should be longer, perhaps 5 year period
 - Initial program funding for 2 ½ years
 - It takes time for a new program to take hold
 - Experience data is not credible until matures



What We've Learned

- Price is critical
 - Price sensitive businesses and individuals
 - Must be affordable in order to attract new lives
- Distribution Channels are important
 - know your audience (potential outreach sources)
 - small group market - need broker involvement
 - individuals - television and other programs (referrals)



What We've Learned

- Recognize indirect benefits of program
 - Rejuvenated private marketplace discussions
 - interest in new products for small groups
 - increased competitiveness of market
 - Cross-education of other programs
 - Family Health Plus, Child Health Plus
 - Programs can work together to educate broadly



Addressing the Needs



- **Affordability**

- Provides a lower cost alternative for private purchase of insurance



- **Availability**

- Sold by every HMO, state wide



- **Accessibility**

- Applications from web, hotline, HMOs, NYS



- **Administration**

- Simple application form and process
- Simple annual recertification
- Won't lose coverage mid-year due to changes

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- 2003 Annual Study of the program
 - prepared by the Lewin Group
 - program growth, enrollment trends, claims data, pricing impact, feedback from enrollees and health plans