

FROM: Community Service Society and Citizens Budget Commission
CONTACT: Jeff Maclin, jmaclin@cssny.org: 718-309-2346 (For CSS)
Kyle Sklerov, ksklerov@rubenstein.com: 212-380-3753 (For CBC)

CSS and CBC Release Comprehensive Report Analyzing Several Options for Closing State's Health Insurance Coverage Gap

More than One million New Yorkers are uninsured; increasing the number of people insured would reduce morbidity and mortality and improve economic security

New York, NY – January 12, 2022 – The Community Service Society (CSS) and the Citizens Budget Commission (CBC) today released *“Narrowing New York’s Health Insurance Coverage Gap,”* a comprehensive report that provides State policymakers with key data about five possible strategies for increasing health insurance coverage. More than one million New Yorkers are uninsured, a serious problem that increases morbidity and mortality and reduces economic security.

“We know that New Yorkers continue to struggle with the high costs of health care, which along with other factors can serve as a deterrent to seeking coverage,” said **David R. Jones, CSS President and CEO**. “This report offers policymakers important information and analysis to aid them in debating how best to tackle the coverage gap so more New Yorkers can obtain affordable health insurance and experience greater economic security.”

“With more than 1 million residents still uninsured, New York’s policymakers should have a robust discussion about the benefits and costs of different strategies to narrow this health insurance coverage gap,” said **Andrew Rein, President of the Citizens Budget Commission**. “This unique collaborative effort identifies some of the key effects of five strategies to help anchor the debate with credible evidence. Along with these strategies’ impacts on residents, insurers, and providers, these findings should be productive starting points for potential progress.”

“Obtaining health insurance means more control over your health and less fear of financial devastation as a result of getting care that you need,” said **Elisabeth R. Benjamin, CSS Vice President of Health Initiatives**. “The research is clear that getting more people covered improves their health outcomes, reduces mortality, stabilizes family finances as well as addressing broader public objectives such as improving state public health outcomes and strengthening the safety-net providers that low- and moderate-income New Yorkers depend on.”

The report details five strategies for increasing health insurance coverage in New York:

1. State individual mandate;
2. State premium assistance program;
3. State public option plan;
4. State program for low-income immigrants; and
5. Enhanced outreach and enrollment strategies.

For each strategy, the report explains design considerations, estimates the number of uninsured who would gain coverage, and when possible, estimates State costs and other fiscal implications. The report estimates ranges of impacts, but generally presents the moderate estimate of impacts for clarity.

To read the full report go here [INSERT HYPERLINK].

Strategy #1: State Individual Mandate and Penalty

This strategy is intended to increase the number of insured by creating a financial disincentive to be uninsured. The federal mandate penalty established under the Affordable Care Act (ACA) was repealed in 2018. Following its repeal, New Jersey, the District of Columbia, Vermont, Rhode Island, and California all enacted state-level mandates and penalties. Administrative costs associated with imposing an individual mandate would be minimal. The evidence from the implementation and subsequent repeal of the federal individual mandate and penalty suggests that a similar state-based policy is unlikely to significantly increase the number of people insured, but might help stabilize the individual insurance market.

Strategy #2. State Premium Assistance Program

People with incomes between 200 and 400 percent of the federal poverty level (FPL) receive federal subsidies to purchase individual coverage plans. This report analyzed three premium subsidy designs. The deepest subsidy would result in 92,000 newly insured individuals and cost the State \$803 million. The moderate subsidy would increase coverage by 52,000 individuals at a cost of \$371 million to the State. A subsidy for wealthier individuals would add 2,000 newly insured people and cost the State \$15 million.

Strategy #3: State Public Option Plan

New York could procure and offer a public option plan through the New York State of Health Insurance Marketplace with lower premiums and less cost-sharing than plans currently available. The report analyzed public options at the Gold and Platinum levels. Moderate estimates of the number of newly insured individuals would be 62,000 for a Gold plan and 45,000 for a Platinum plan. Administrative costs to the state would be marginal under this strategy. Federal costs are estimated to increase by between \$110 million and \$287 million for subsidies for the newly insured. A public option plan would cause significant disruptions to the insurance markets and providers, especially safety-net entities.

Strategy #4: State Program for Low-income Immigrants

This strategy would help narrow the coverage gap faced by low-income New Yorkers whose immigration status disqualifies them for existing public coverage programs. Under this

program, immigrants with incomes below 200 percent of the FPL would be offered a state-funded Essential Plan benefit package on a voluntary basis. Using modest enrollment assumptions, about 46,000 immigrants would be insured under the program costing the State \$665 million annually. However, the annual net cost to the State would be considerably less -- \$345 million -- assuming spending offsets for existing Emergency Medicaid spending.

Strategy #5: Enhanced Outreach and Enrollment Strategies

The report analyzed three enhanced outreach and enrollment assistance strategies:

Expand the State Navigator program to target areas of the state where fewer people are insured than the state average. Increasing insurance rates in those target areas to the state average would result in 65,000 uninsured people obtaining coverage. Incremental costs for enrolling more people through the Navigator program would be up to \$300 per enrollee, or about \$20 million in total.

Enable enrollment through tax returns. This would be similar to a program in Maryland that uses tax return forms to ask individuals to verify their eligibility for health insurance programs. An estimated 10,000 additional people would obtain health insurance if New York adopted a similar program.

Expand enrollment opportunities outside of the open enrollment period. Currently, uninsured New Yorkers who seek to buy insurance outside of open enrollment can only do so under certain circumstances, including job loss, pregnancy, and moving. Massachusetts provides a special enrollment period for people buying coverage for the first time and earn up to 300 percent of the FPL. The Massachusetts plan also allows those who missed open enrollment to testify that it was unintentional or that they were unaware of the 60-day enrollment deadline.

**Note: this report does not address a single-payer or universal coverage system for New York State, which were the subject of a 2018 Rand Corporation study.*

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For more than 175 years, the Community Service Society of New York has been the leading voice on behalf of low-income New Yorkers and continues to advocate for the economic security of the working poor in the nation's largest city. We respond to urgent, contemporary challenges with applied research, advocacy, litigation and innovative program models that help the working poor achieve a better quality of life and promote a more prosperous city. Visit us at www.cssny.org.

About Citizens Budget Commission

The Citizens Budget Commission (CBC) is a nonpartisan, nonprofit watchdog and think tank whose mission is to achieve constructive change in the finances, services and policies of New York City and New York State government.