

# **New York Health Benefit Exchange**

## **Planning the New York State Health Benefit Exchange**

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# New York's Uninsured

- Nearly 2.7 million New Yorkers under age 65, about 16 percent, do not have health insurance coverage
- Most uninsured are workers and their families who earn too much to qualify for public programs, but not enough to buy coverage
- Uninsured people forego necessary care due to costs
- Taxpayers subsidize a portion of the cost of care provided to the uninsured by hospitals
- Insured individuals pay for part of the cost of caring for the uninsured through higher premiums

# New York's Small Businesses

- There are 400,000 small businesses in New York – the engines of economic growth generating 2/3 of all new jobs
- In the past decade, nearly 800,000 New Yorkers have lost employer-sponsored coverage
- The high cost of insurance undercuts small businesses capacity to attract and retain quality employees and their ability to grow and create jobs

# Federal Law

- Under the Patient Protection and Affordable Care Act (ACA), a Health Benefit Exchange will operate in every state beginning on January 1, 2014
- Each state has the option to create its own Exchange; but if it does not, the federal government will operate the Exchange in that state

# What is an Exchange?

- Organized marketplace
  - Easily compare health plan options
  - Makes available tax credits and cost-sharing subsidies
  - Easily enroll in qualified health plans
- Two programs
  - “Individual Exchange“
  - “Employer Exchange,” which is called the Small Business Health Options Program, or SHOP

# Functions of the Exchange

- Make available qualified health plans and qualified dental plans to qualified individuals and employers
- Assign a quality rating and actuarial value to each qualified health plan offered through the Exchange
- Implement certification procedures for qualified health plans (QHPs)
- Require QHPs to offer essential health benefits
- Provide a toll-free telephone hotline
- Maintain an internet website for questions, enrollment
- Establish electronic means to calculate the actual cost of coverage after tax credits and cost sharing reductions
- Determine eligibility and enroll individuals into a range of coverage options
- Establish Navigator program to assist consumers in shopping and enrollment
- Certify individuals as exempt from individual responsibility

# The Impact of the Implementation of Exchange and Reforms in New York

- One million people will gain insurance, reducing the percentage of uninsured from 16 percent to 10 percent
- Exchange enrollment is estimated to be 1.1 million people:
  - 615,000 in the Individual Exchange
  - 450,000 in the SHOP Exchange
- Premiums are expected to decline in the small group and non-group markets under health reform in all scenarios modeled
- Individuals and small businesses who purchase through the Exchange will receive \$2.6 billion per year in federal tax credits and cost sharing subsidies
- New York will save \$2.3 billion per year when reform is fully implemented as a result of enhanced federal Medicaid support

# Executive Order 42

## Establishing New York Health Benefit Exchange

- Establishes New York Benefit Exchange within the Department of Health
- Directs the DOH, in conjunction with the Department of Financial Services and other state agencies, to take all steps necessary to effectuate the Exchange
- Requires the Exchange to:
  - Facilitate enrollment in health coverage and the purchase and sale of qualified health plans
  - Enable eligible individuals and small businesses to receive federal tax credits
  - Convene regional advisory committees to provide advice and make recommendations
  - Become financially self-sustaining by January 1, 2015 as required by the ACA



# Key Accomplishments to Date

- Awarded \$183 million in federal funds for Exchange establishment activities
- Leveraging existing state agency resources at DOH, DFS, and other state agencies
- Conducted background research on key policy decisions
- Established Regional Advisory Committees and other processes for stakeholder input
- Operational Components
  - Systems Integrator
  - Call Center
- Began to develop outreach and marketing strategy
- Established a Consumer Assistance Program
- Developed an informational web site (redesign to be launched soon)
- Completed HHS Design Review on October 9-10, 2012

## What's Next

- Complete IT system design and testing
- Select Qualified Health Plans (QHPs)
- Conduct market research and begin outreach and marketing campaign
- Select and train Navigators
- Stand-up Customer Service Center
- Open for enrollment on October 1, 2013
- Coverage effective January 1, 2014

## Additional Information

[www.HealthCareReform.ny.gov](http://www.HealthCareReform.ny.gov)

Questions regarding implementation can be sent to:

[HealthCareReform@exec.ny.gov](mailto:HealthCareReform@exec.ny.gov)