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Testimony on the Executive's Proposed Health/Medicaid 2022-2023 Budget

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Submitted by:
Health Care For All New York

Health Care for All New York (HCFANY) would like to thank the chairs and members of the Assembly Ways and Means and the Senate Finance Committees for providing the public an opportunity to weigh in on the state budget. HCFANY is a statewide coalition of over 170 organizations dedicated to achieving quality, affordable health coverage for all New Yorkers. My name is Elisabeth Ryden Benjamin and I am VP of Health Initiatives at the Community Service Society of NY and a co-founder of HCFANY.

HCFANY supports proposals in the Executive Budget that would expand access to health insurance coverage and health care:

- Raising Essential Plan eligibility to 250% of the federal poverty level
- Extending postpartum Medicaid eligibility from 60 days to one year
- Expanding Medicaid eligibility for people over 65 or with disabilities to 138% of the federal poverty level (as well as eliminating the asset test)
- Elimination of the \$9 premiums in Child Health Plus and the proposed benefit expansion will also help more New Yorkers afford health care.
- Increasing the budget for the Community Health Access to Addiction and Mental Healthcare Program, which helps people experiencing mental health or substance use disorder emergencies.

All of these are positive steps that will allow more New Yorkers to obtain health care when they need it. However, HCFANY believes the State should do more to reduce the number of New Yorkers without insurance and ensure that everyone has access to affordable care regardless of their health insurance status. Of the roughly one million New Yorkers who are uninsured, many are eligible for low-cost health insurance and may need more help learning about their options and enrolling (see Table 1). Others need help affording private coverage. About 245,000 are excluded from coverage because of their immigration status.

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Table 1: The Uninsured in New York State

	2023 (Projected)
Eligible to purchase Marketplace coverage, income at or above 200 percent of FPL	421,000
- Subsidy Eligible (200 to 400 percent of FPL)	259,000
- Not Subsidy Eligible (above 400 percent of FPL)	162,000
Immigrants currently ineligible for public or Marketplace coverage because of immigration status	238,000
Eligible but unenrolled in public coverage, income below 200 percent of FPL	352,000
TOTAL	1,012,000
Note: Sub-groups may not sum to total because of rounding.	
Source: CSSNY and Citizens Budget Commission, “Narrowing the Coverage Gap: Five Strategies to Increase Insurance Coverage in New York,” January 2022, https://www.cssny.org/publications/entry/narrowing-new-yorks-health-insurance-coverage-gap .	

New Yorkers also experience affordability barriers to obtaining health care, even if they have insurance. In 2019, 45% of New Yorkers avoided care due to cost and 35% experienced serious financial repercussions due to medical bills (such as using up all of their savings or being unable to pay for food or heat).¹ There are 26 counties where over 10% of the population has delinquent medical debt on their credit reports, including a shocking 27% in Chemung County.² There are severe racial disparities in this credit impact. For example, in Westchester County delinquent medical debt affects 2.7% of residents in majority-white communities but 10% of residents in communities that majority people of color (see Table 2).

County	Overall	White Communities	Communities of Color	Difference
Westchester	5.5%	2.7%	10%	370%
Albany	9.5%	7.7%	19.6%	255%
Monroe	7.6%	5.7%	14.2%	249%
Onondaga	15.2%	11.5%	28.1%	244%
Erie	9.2%	7.3%	17.2%	236%
Schenectady	11.9%	9.5%	21%	221%

¹ CSSNY and Altarum Healthcare Value Hub, “New Yorkers Struggle to Afford High Healthcare Costs; Support a Range of Government Solutions Across Party Lines,” March 2019.

² Urban Institute, “Debt in America: An Interactive Map,” https://apps.urban.org/features/debt-interactive-map/?type=overall&variable=pct_w_medical_debt_in_collections&state=36



Over 52,000 New Yorkers were sued between 2015 and 2020, many of whom appear to be low-income.³ Most patients lose these lawsuits and some of them are then subjected to having their wages garnished or having liens placed on their homes. In a two-year period, hospitals placed 4,880 liens on patients homes.⁴

New Yorkers need more help obtaining health care. The New York Health Act (S5474/A6058) would be a comprehensive change addressing all of these problems. It would eliminate eligibility barriers based on immigration status or income, and stop the medical billing nightmares many New Yorkers experience. New York should also enact changes that provide immediate relief. Our proposals to do so are listed below.

1. **Allocate \$345 million to create a State-funded lookalike Essential Plan that would cover an estimated 46,000 people.** HCFANY is disheartened that there are no proposals in the Executive Budget to help excluded immigrants obtain health insurance. An estimated 154,000 low-income New Yorkers are uninsured because of their immigration status.⁵ The Essential Plan is available for other low-income New Yorkers and is federally-funded. Some immigrants are ineligible for any federally-funded coverage depending on their status. HCFANY urges the Legislature to use ensure health equity by funding a State-only Essential Plan for New Yorkers who are unfairly excluded by enacting S1572/A880.
2. **Include everyone in the postpartum Medicaid expansion proposal.** Health insurance reduces maternal mortality.⁶ New York’s Medicaid program currently provides health insurance during pregnancy and for 60 days postpartum for those who meet income requirements (223% of the FPL, about \$28,000 for a household of one). For most beneficiaries, New York State receives federal funding to do so. However, some immigrants, including those who are both lawfully and unlawfully present) are not eligible for federally-funded Medicaid. New York State uses state-only funding to provide the same coverage to that population instead of leaving them uninsured during such a vulnerable time.

The Executive Budget excludes many immigrants from its proposal to extend the Medicaid for Pregnant Women for 12-months post-pregnancy. Disparities in maternal mortality and morbidity cannot be redressed if key groups are excluded. New York

³ Amanda Dunker and Elisabeth Benjamin, “Discharged Into Debt: Medical Debt and Racial Disparities in Albany County,” Community Service Society of New York, March 2021, <https://www.cssny.org/publications/entry/discharged-into-debt-medical-debt-and-racial-disparities-in-albany-county>

⁴ CSSNY, “Discharged into Debt: Nonprofit Hospitals File Liens on Patients’ Homes,” November 2021, <https://www.cssny.org/publications/entry/discharged-into-debt-nonprofit-hospitals-file-liens-on-patients-homes>.

⁵ CSSNY and Citizens Budget Commission, “Narrowing the Coverage Gap: Five Strategies to Increase Insurance Coverage in New York,” January 2022, <https://www.cssny.org/publications/entry/narrowing-new-yorks-health-insurance-coverage-gap>.

⁶ Sophie Wheelock and Mark A. Zezza, “To Provide Seamless Postpartum Insurance Coverage, Keep It In The Medicaid Family,” Health Affairs Blog, October 26, 2021, <https://www.healthaffairs.org/doi/10.1377/hblog20211022.658362/full/>.



could provide health insurance to everyone for one-year postpartum with \$24 million annually in state-only funds. To do this the Legislature should first strike lines 14-19 and 23-28 on page 187 of the Article VII bill and lines 1-2 on page 188. It should then incorporate the language used in S1411A/A307A in the one-house budget bills.

3. **Increase eligibility for the Medicare Shared Savings programs.** The Executive Budget proposal to increase income eligibility for people over 65 or who have disabilities is an important step, but this population needs more help. Half of people with Medicare coverage live on \$29,650 or less in a year with limited savings. Medicare coverage comes with costs that these beneficiaries struggle to afford. To improve affordability, promote equity, align programs, and achieve administrative efficiencies, New York should expand eligibility for the Medicare Shared Savings programs from 135% of the FPL to 1560%.
4. **Provide additional funds for the Community Health Advocates program.** Since 2010, the Community Health Advocates program (CHA) has provided free, independent assistance to over 30,000 consumers every year who are trying to make the most of their health insurance coverage. CHA helps New Yorkers resolve billing issues and coverage denials, get prior authorizations, respond to out-of-network and surprise bills, and locate health services no matter what type of insurance they have. CHA has saved New Yorkers over \$100 million since it started and it is able to reduce or eliminate medical debt in 84% of cases. Services are provided through a central helpline and community-based organizations that can provide in-person assistance throughout the state.

The Executive Budget proposal includes \$3.5 million for CHA. At its height, CHA was funded at \$7 million and funded many more community-based organizations than it does now. HCFANY urges the Assembly and the Senate to contribute \$2 million each for a total of \$5.5 million.

5. **Increase enrollment in existing health coverage programs by fully funding the Navigator program at \$32 million and allocating an additional \$2 million so that community-based organizations can conduct outreach in hard-to-reach communities.** Approximately 350,000 New Yorkers are uninsured even though they earn less than 200% of the FPL and are thus eligible for low-cost or free health coverage. An additional 421,000 are eligible for Marketplace coverage but have not enrolled. The Navigator program provides independent, in-person assistance to consumers who want help shopping for and enrolling in health coverage. The Navigator program has received flat funding of \$27.2 million since 2013, with no cost of living increases. Agencies have lost trained and experienced staff because this funding limitation means they cannot reward experience or strong job performance with raises. HCFANY urges the Legislature to fund the Navigator program at \$32 million to make up for increased costs over time.



Additionally, New York should allocate \$2 million to community-based organizations to conduct outreach in communities that have low coverage rates. Those New Yorkers who are eligible for existing programs but are still uninsured are among the most challenging to reach and enroll in coverage. An example is immigrants, who have heard many confusing and frightening things about enrolling in public programs. These communities are more likely to trust the organizations that are already working in their communities.

6. Ensure that funding distributed through the Indigent Care Pool goes to the safety net hospitals that provide the most care to low-income New Yorkers.

Disproportionate Share Hospital (DSH) funds are intended to support hospitals that serve the most uninsured and Medicaid patients. However, in New York, this funding often subsidizes profitable hospital systems that serve less than their fair share of low-income patients.

New York distributes \$3.6 billion in DSH funds, \$1.1 billion of which are distributed through the Indigent Care Pool. Almost all hospitals receive funding from this pool, despite large variation in the number of low-income patients they serve. New York should more carefully allocate this funding to the hospitals that need it the most. By enacting S5954/A6883. If enacted, this bill would allocate \$275 million of the ICP funding for increased Medicaid rates for Enhanced Safety Net Hospitals and Qualified Safety Net Hospitals.

7. End Medical Debt. Between 2015 and 2020, over 52,000 patients were sued by New York’s hospitals—all of whom are nonprofit charities under state law. They should be required to behave in a manner that comports with this designation. HCFANY urges the Legislature to enact the following:

- S6522/A7363 would prohibit medical providers from placing liens on patients’ homes or garnishing their wages to recoup a medical debt judgment.
- S7625/A8441 would make it easier for patients to find out about, apply for, and qualify for financial assistance with hospital bills. Among other provisions, the bill would require all hospitals to use one uniform application, increase eligibility to 600% of the FPL from 300%, and remove an asset test that is only required for the lowest-income patients.
- S2521B/A3470B would require notifying patients ahead of time if the provider adds facility fees to bills and prohibit providers from charging facility fees that insurers will not pay or for preventive care.

8. Improve the certificate of need process. Hospital consolidation contributes to large price increases and often results in reduced services in low-income communities or communities where people of color live.⁷ The certificate of need process is one

⁷ The Advisory Board, “When hospitals merge, prices can increase by more than 50%, according to a new analysis,” November 15, 2018, <https://www.advisory.com/daily-briefing/2018/11/15/hospital-mergers>.



mechanism New York has to track and manage consolidation, but it is too hard for affected communities to participate. The Public Health and Planning Council, which approves certificate of need applications, is dominated by industry, and one of the two spots on the council set aside for consumers is empty. New York should also conduct an extended rulemaking process to implement the new Health Equity Assessment Act. This law requires health facilities to submit an independent assessment of the health equity impacts of proposed changes.

Thank you again for providing this opportunity to testify and your consideration of our concerns. Please contact Elisabeth Benjamin (ebenjamin@cssny.org) with any questions. We stand ready to work with the Legislature to move forward on our recommendations.