State of New York
Department of Health/Insurance Department
PARTNERSHIP FOR COVERAGE

Report of
the Commissioner of Health and Insurance Superintendent
to Governor David A. Paterson
on the Partnership for Coverage Initiative
on the Release of the Urban Institute Report

REFORMS TO ACHIEVE QUALITY, AFFORDABLE
COVERAGE FOR ALL NEW YORKERS

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* Indicates revisions made on 7/30/09 to correct a computation error. See page 6 of the narrative and the chart on page 15 entitled Total Annual Expenditures Per Insured New Yorker.
Achieving Quality, Affordable Coverage for All New Yorkers

In 2007, New York State initiated the Partnership for Coverage to examine options for ensuring access to affordable, quality health insurance coverage for all New Yorkers. Today, nearly 2.7 million New Yorkers are uninsured.\(^1\) New Yorkers are struggling. Rising health care costs burden New York’s weakening economy and consume an ever growing share of the State budget. Reform is needed. Health reform in New York State requires a comprehensive strategy focused on solving the problems in New York’s health care system while building on its strengths. This report describes New York’s achievements to date and summarizes the Urban Institute’s analysis of four distinct health reform proposals to expand coverage to all non-elderly New Yorkers.

I. **Background**

New York has demonstrated a strong, ongoing commitment to health insurance coverage. New York’s public health insurance programs provide comprehensive coverage to 3.7 million people or 21.4% of all non-elderly New Yorkers.\(^2\) As a result, the rate of low-income New Yorkers without insurance is more than 6% below the national average. However, almost one half of the uninsured are eligible for, but not enrolled in, one of New York’s existing public health insurance programs. And many New Yorkers have incomes too high to qualify for public coverage, but too low to afford private health insurance.

As the only state in the nation with open enrollment and pure community rating, New York is also a leader in guaranteeing access to private health insurance coverage. In New York, insurers must offer coverage to all individuals and small employers and premiums must be based on broad community pools, without differences due to age, sex, health status or occupation. New York’s standardized individual health insurance market ensures that a comprehensive level of benefits is available to all. However, while New York guarantees the availability of private health insurance, affordability is an obstacle to coverage.

Almost 16% of all New Yorkers are currently uninsured. Those without coverage face worse health outcomes, as the uninsured delay getting more cost-effective primary care. And the uninsured face large bills, which are a major contributor to personal bankruptcy. At the same time, many New Yorkers who do have health insurance are either inadequately insured or at risk of losing their coverage due to high costs that consistently increase faster than inflation. Rising health care costs are destabilizing businesses, and New Yorkers buying coverage directly face single premiums averaging $970 per month. New York has an 8.2% unemployment rate that will likely worsen with the economic downturn, causing a further decrease in coverage.

Despite 2.7 million uninsured, overall health care spending by government, employers and individuals in New York totals $83.9 billion annually.\(^3\) New York spends $28.5 billion on public health insurance programs for non-elderly low-income residents.\(^4\) Health care costs per capita are higher in New York than in all but two other states and the District of Columbia.
II. Partnership for Coverage Overview

Under the Governor’s Partnership for Coverage initiative, the New York State Departments of Health and Insurance (the Departments) were charged with developing, evaluating and recommending proposals for achieving affordable, quality health insurance coverage for all New Yorkers using a building block approach. The State has made important progress towards understanding and overcoming the obstacles to health insurance coverage and paving the way to improved efficiency and better health outcomes.

Beginning in Fall 2007, the Departments broadly sought input on problems related to health care access, quality, affordability and costs as well as recommendations on health reform. The Departments held eight public hearings across New York State and convened in-depth and ongoing discussions with many stakeholder groups including providers, consumers, businesses, insurers, labor organizations, health policy experts and other states involved in health reform initiatives. A Web site, www.partnership4coverage.gov, was created to share progress and information.

As authorized by the New York State Executive Budget for fiscal year 2007/2008, the Departments issued a request for proposals (RFP) and contracted with the Urban Institute to conduct in-depth micro-simulation modeling to determine the cost and coverage implications of four health reform proposals in New York. The four proposals include: (1) a single payer public health insurance option; (2) Assembly Member Gottfried’s New York Health Plus proposal, that provides an option for all New Yorkers to enroll in Family Health Plus (FHPlus); (3) a public-private partnership option that simplifies and expands existing public programs and reforms private health insurance; and (4) a market-based option that relies on regulatory flexibility and tax credits. These proposals were developed based on statutory criteria and extensive public input.5

While engaging in in-depth analysis of the State’s health care delivery system, New York advanced the goals of the Partnership for Coverage by expanding access to coverage and investing more wisely in the health care delivery system to improve quality and control costs.

III. Progress to Date - Achieving Partnership for Coverage Goals

New York has greatly simplified and expanded its public programs, which now reach children up to 400% of the federal poverty level (FPL) and adults up to 200% FPL pending federal approval and financial participation. New York has also undertaken groundbreaking Medicaid reimbursement reform and enhanced protections for consumers purchasing private coverage.

A. Public Expansions

In September 2008, the State expanded eligibility in its Child Health Plus (CHPlus) program from 250% to 400% FPL to provide nearly every uninsured child with access to affordable, comprehensive coverage. In addition, the FHPlus Premium Assistance program and FHPlus...
Buy-In program were introduced to make comprehensive cost-efficient coverage available to employers and employees. Pending federal approval, eligibility for FHPlus will be expanded up to 200% FPL to cover over 400,000 additional adults. Today, FHPlus covers parents with incomes up to 150% FPL and single adults up to 100% FPL.

**B. Public Program Simplifications**

To reach the 1.2 million New Yorkers who are currently eligible for public programs but not enrolled, New York adopted reforms to streamline public program eligibility and renewal. These reforms include permitting self-attestation of income and residency at renewal, repealing the face-to-face interview at initial application, eliminating the resource test for community Medicaid and FHPlus, ending the vestiges of welfare eligibility rules including alcohol and drug screening and finger imaging, establishing a single eligibility level for single adults and childless couples, replacing the county-specific levels, eliminating age-based eligibility distinctions for children, shifting to a gross income test for Medicaid, permitting presumptive eligibility for children in Medicaid, and allowing children aging out of foster care to keep Medicaid to age 21. A Statewide Enrollment Center will soon centralize some public program renewals. Pending federal approval, the State will adopt a gross income standard of 160% FPL for FHPlus and provide 12 month continuous coverage for adults in FHPlus and certain adults covered by Medicaid.

**C. Cost Containment and Quality Improvement**

Accounting for almost one out of every three dollars spent on health care in the State, Medicaid has the leverage to change the delivery of health care for all New Yorkers. New York has advanced groundbreaking reimbursement reforms to reward quality and efficiency and ensure greater value for patients and taxpayers. In 2008, the State reduced inpatient hospital rates by $224 million to approximate costs and reformed the flawed outpatient reimbursement methodology. New York invested $300 million in reimbursement rates for hospital clinics, community health centers and physicians. In 2009, inpatient rates were reduced further and an additional $300 million was invested in outpatient services. In addition, a new inpatient rate methodology was authorized that will recognize appropriate differences in hospitals and more effectively match payment to patient complexity and quality. One of the most far reaching developments is the implementation of a program to incentivize patient-centered medical homes in December 2009. In the Adirondack region of the State, Medicaid will participate in a multi-payer medical home pilot which emphasizes primary and preventive care and improved coordination of care. The Doctors Across NY program was implemented to support new physicians in medically underserved communities.

**D. Private Insurance Reforms**

New York guarantees individuals and small groups access to health insurance at premium rates that reflect the risks of the community at large, rather than the risks of each policyholder. Individuals who purchase health insurance directly are guaranteed access to comprehensive coverage necessary for those most in need of health care. Healthy NY provides eligible New Yorkers with incomes up to 250% FPL and eligible small businesses with access to a
streamlined, but more affordable, coverage option. The State has extended reinsurance to help mitigate high premiums in the individual and Healthy NY markets. In addition, New York has recently simplified and increased funding for its risk adjustment mechanism to more broadly spread risk.

New York's extensive consumer protections include grievance and utilization review standards, the right to an external appeal, numerous benefit mandates and extensive notice and disclosure requirements. Recently enacted reforms benefit consumers by limiting health plans' ability to deny care that the plan had already pre-authorized, extending external appeal rights to out-of-network care and introducing provider contracting protections. Additionally, the Governor is currently advancing several legislative proposals to improve or increase access to health insurance coverage. These include extending a COBRA option to 36 months, expanding coverage for dependents through age 29, and reinstating prior approval of premium rate increases. The Governor has also proposed a managed care reform bill that expands grievance and appeal rights to more consumers and providers and extends certain rights to access specialty care to more consumers.

IV. Urban Institute Modeling of Four Health Reform Proposals

As the State tackled necessary reforms, the Departments also worked closely with the Urban Institute to obtain a clear picture of the cost and coverage implications of broad health system reform proposals. The reform proposals and the Urban Institute’s analysis are summarized below and in the attached charts and are more fully detailed in the Urban Institute’s attached report. To allow for effective comparison, the cost and coverage effects for all proposals are shown in the third year of implementation. New government costs are presented as total federal and State spending since federal share of government costs post-reform is uncertain.

A. Public Health Insurance for All

Summary. The Public Health Insurance for All proposal envisions a state-run public health insurance program to cover all New Yorkers not eligible for an existing public program. The State is responsible for setting provider payment rates, establishing global budgets for institutions, administering payments, enrolling New Yorkers and handling consumer disputes. Private insurers have no role.

Cost and Coverage Effects. Complete coverage is achieved by the Public Health Insurance for All proposal. Employer and individual spending is wholly eliminated, and government spending increases by $57.7 billion to total $86.3 billion. Of the proposals simulated, this reform achieves complete coverage with the greatest redistribution of health care spending, the lowest aggregate change in health care spending of $2.4 billion and the greatest cost to government per newly insured of $21,287 annually. Providing insurance coverage to all without cost-sharing increases the demand for health care services to a level that the delivery system is unable to initially absorb, largely due to physician shortage. This unmet demand of $402 million in health care services would reduce the proposal’s cost, but leave some without some of the medical care they would obtain if there were no constraints in supply.
B. New York Health Plus

Summary. Under New York Health Plus, all New Yorkers can participate in the existing FHPlus program offered through managed care plans. A competing publicly run fee-for-service option, like traditional Medicare, is also available. Private and supplemental health insurance coverage remains. All employers and workers are subject to a payroll tax totaling 10% of all wages (not capped). Those who purchase private coverage in lieu of participating in New York Health Plus are eligible for a tax credit to offset their payroll tax liability. Physicians can organize and collectively negotiate with health plans. Full mental health parity is extended to FHPlus.

Cost and Coverage Effects. New York Health Plus achieves complete coverage. Gross government costs increase by $47.5 billion, offset by $13.6 billion in newly generated payroll taxes. Employer sponsored insurance declines by almost 60%, as employers drop coverage in favor of employee enrollment in New York Health Plus. Even with the 10% payroll tax, employers save $9.9 billion. Individuals would no longer choose to purchase coverage in the individual market. Individuals save $17.9 billion, with the greatest savings accruing to those with incomes above 400% FPL. The aggregate change in health care spending totals $6.1 billion. Of the proposals modeled, New York Health Plus has the second highest cost to government per newly insured of $17,512 annually, with a net government cost (post payroll tax) of $12,508 per newly insured. Unmet demand for health services due to provider constraints is valued at $1 billion.

C. Public-Private Partnership

Summary. The Public-Private Partnership proposal is a building block approach to reform that layers five key components: (1) simplification and expansion of public health insurance programs to 200% FPL for adults and 400% FPL for children; (2) merger of New York’s individual and small group health insurance markets; (3) sliding scale subsidies for those with incomes up to 400% FPL who purchase coverage through a new purchasing pool or insurance exchange; (4) assessments on employers with 10 or more employees, offset by the amount employers contribute to health insurance; and (5) a mandate that requires individuals to buy health insurance once affordable options are available. The benefit design and cost sharing for private coverage mirrors a typical employer product. This proposal is modeled with and without the introduction of a competing public option.

Cost and Coverage Effects. The Public-Private Partnership proposal achieves complete coverage upon full implementation of the reform components. The merger of New York’s individual and small group markets reduces the cost of individual health insurance by 56%. Because the merger is combined with a public program expansion, small group single premiums decline slightly and small group family premiums remain fairly constant. Sliding scale premium subsidies ensure affordability across income levels. An assessment upon employers that do not offer health insurance and an individual requirement to purchase health insurance retains and expands private investment in coverage. Coverage in the individual market increases by one million. Employer coverage drops slightly. Of all the proposals, the Public-Private Partnership reforms result in the least redistribution of health system financing and the lowest annual
government cost per newly insured of $2,959 gross and $2,663 net (post assessment). The proposal adds $7.2 billion in government costs, while decreasing employer spending by $1.2 billion and individual spending by $50 million. Aggregate new health care spending totals $6 billion. This reform does not result in unmet demand for health care services.

**Impact of Public Option.** Introducing a competing state-run public option does not change the coverage effects of the Public-Private Partnership proposal significantly, but yields savings due to downward pressure on premiums. With a public option, overall net costs to government fall from $7.2 to $7.1 billion. The annual net cost to government per newly insured (post assessment) drops from $2,663 to $2,630*. There is also a slight reduction in employer and individual spending. These results show the third year of implementation and reflect one-third of the full savings estimated to be realized in year ten.

**D. The Freedom Plan**

**Summary.** The Freedom Plan decreases private insurance market regulation and relies on tax credits and government funded stop loss to increase coverage. The proposal permits insurers to sell high deductible health insurance policies exempt from benefit mandates in New York’s individual market. Community rating rules are modified to permit premiums to be set based upon smaller, segregated risk pools. A 50% tax credit for individuals and small businesses purchasing health insurance is phased in over ten years. Government funded stop loss subsidies are increased in New York’s individual and Healthy NY markets.7

**Cost and Coverage Effects.** The Freedom Plan does not achieve complete coverage. The number of uninsured New Yorkers drops from 2.7 million to 2.3 million, with most of the reduction attributable to the recent expansion of CHPlus. The individual market is impacted by risk selection due to the new high deductible health plans, compromising the viability of comprehensive individual products. With the tax credit partially phased in, total government spending per newly insured is $6,605 annually, largely due to the credit.8 Total government costs increase by $2.75 billion. Employer spending decreases by $2.1 billion. Individual spending increases by $1.2 billion with the greatest costs accruing to those between 201% and 299% FPL. Aggregate health care spending increases by $1.9 billion. This proposal does not result in unmet demand for health services.

**V. Comparison of Proposals**

Currently 15.8% of New Yorkers lack health insurance. Three of the four proposals modeled cover all New Yorkers and drop the State’s uninsured rate to zero. The Freedom Plan leaves 13.3% of New Yorkers uninsured. Several measures related to post-reform sources of coverage and spending are presented below and illustrated in the attached charts and table.

**A. Post Reform Sources of Coverage**

**Post Reform Employer and Individual Coverage.** Employers currently provide 61.1% of health insurance coverage for insured New Yorkers. There is minimal change in employer-based
coverage under the Public-Private Partnership and the Freedom Plan proposals, 60.1% and 60.9%, respectively. Under New York Health Plus, employer coverage drops to 25.3% and under Public Health Insurance for All, employer coverage ends altogether. The individual market ceases to exist under the Public Health Insurance for All and the New York Health Plus proposals. Individual coverage increases from 1.4% to 7.2% under the Public-Private proposal and to 3.7% under the Freedom Plan.

Public Programs Post Reform. Public health insurance programs, which currently cover 21.4% of the population, would continue to serve significant numbers of New Yorkers under all four proposals, ranging from 100% under Public Health Insurance for All to 21.7% under the Freedom Plan. Three in four New Yorkers (74.4%) would be publicly covered under New York Health Plus. The Public-Private Partnership proposal raises public program enrollment to 32.4%.

B. Post Reform Spending

Total Government Spending Post Reform. Government spending on health care for the non-elderly currently accounts for $28.5 billion of the $83.9 billion spent on health care spending in New York. Under each of the four proposals, government spending increases -- by 202% under the Public Health Insurance for All proposal (total $86.3 billion); 119% under New York Health Plus (total $62.5 billion); 25.3% under the Public-Private Partnership model (total $35.8 billion); and 9.6% under the Freedom Plan (total $31.3 billion).

Post Reform Government Cost per Newly Insured. The “total cost per newly insured” gauges the amount of government investment required under each proposal per capita, per newly insured. Annually, gross government costs per newly insured vary from $2,959 for the Public-Private Partnership proposal to $21,287 for Public Health Insurance for All. The gross cost per newly insured for New York Health Plus is $17,512, and the Freedom Plan is $6,605. Net government costs per newly insured (post assessment) are $2,663 for the Public-Private Partnership proposal and $12,508 for New York Health Plus.

Employer and Individual Spending Post Reform. Post-reform expenditures by employers and individuals also vary widely. Under Public Health Insurance for All, employer and individual spending is eliminated. New York Health Plus produces a considerable shift in spending patterns, reducing individual spending by 81.3% and small employer spending by 29.8%. Individual spending remains constant under the Public-Private Partnership proposal while small employer spending drops 3.5%. The Freedom Plan raises individual spending 5.4%, but reduces small employer spending by 6.2%.

Total Spending. Aggregate health care spending is the amount of new spending across the health care delivery system by all payers including government, employers and individuals. New York Health Plus would cause the largest annual increase in aggregate spending at $6.1 billion followed by the Public-Private Partnership proposal at $6.0 billion. The Public Health Insurance for All proposal has the lowest aggregate increase in health care spending of all proposals that achieve full coverage at $2.4 billion and the Freedom Plan results in the lowest increase in aggregate spending of $1.9 billion.
VI. Considerations and Next Steps

New York has one of the most expensive health care systems in the United States, which has the most expensive health care system in the world. For both New York and the nation, health care is often fragmented, costly, inefficient and unavailable to a large number of residents. Costs are growing at an unsustainable rate that outpaces inflation. As the economy continues its sharp downturn and costs continue to rise, the number of uninsured will likely increase and those with coverage will face more limitations and higher costs.

Current times present significant challenges. However, challenging times bring opportunities and highlight the need for comprehensive reform. At the State or federal levels, effective health reform will require financial support, difficult political choices and shared responsibility.

The three proposals modeled by the Urban Institute which extend health insurance coverage to all New Yorkers – Public Health Insurance for All, New York Health Plus, and the Public-Private Partnership – require substantial government investment. Current State budget constraints make federal support essential to State health reform efforts. New York must partner with the federal government to ensure the needs of New Yorkers are addressed.

National health reform discussions are active and multiple proposals are emerging. Many key components of the health reform proposals currently being advanced by President Obama and Congress closely parallel reforms already undertaken in New York State as well as reforms modeled by the Urban Institute in the Public-Private Partnership proposal. New York’s experiences and the Urban Institute’s modeling of the Public-Private Partnership proposal offer valuable insight as to how such reforms might play out in a large state like New York.

The Urban Institute’s modeling of the Public-Private Partnership proposal shows that public program expansions will cover the lowest income families as well as the most chronically ill and disabled. Public program simplifications will maximize enrollment and assure continued coverage. Private insurance markets must operate efficiently to ensure coverage is available and affordable. Subsidies offered through an insurance exchange make coverage accessible to low income residents and broaden participation in risk pools. Once affordable options are in place, an individual responsibility requirement dramatically increases coverage and decreases costs per newly insured. Adding an employer assessment leads to shared responsibility among government, employers, and individuals. Introducing an option for individuals to choose a public insurance plan through an insurance exchange further lowers cost for government, employers and individuals.

New York has taken important steps to implement the foundations of reform, placing New York ahead of most states. Through public program expansions, nearly every child in New York State has access to comprehensive coverage. And, with federal approval, the same will be true for adults up to 200% FPL. New York has also greatly streamlined public program eligibility and introduced sweeping public program reimbursement reforms that encourage the right care in the right setting. New York is the only State in the nation to guarantee access to private health insurance on a pure community rated basis. New York also has extensive consumer protections
in place for those with private health insurance. These reforms exemplify New York’s commitment to quality, affordable health insurance coverage for all residents.

New York’s experiences are highly relevant and can be useful to federal policymakers as they consider options for health reform. Additionally, the Urban Institute’s modeling provides a road map with numerous options for consideration, one of which closely parallels many of the predominant proposals being debated at the federal level. New York’s report from the Urban Institute provides significant insight for State and federal policymakers as they grapple with the hard and timely questions of improving the health care system.

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1 The data and methodology used by the Urban Institute are described in Appendix 1 of their report. The data sources for the number of uninsured are the March 2005 CPS for New York and the Northeast Region of the United States. The March 2005 CPS provides data on insurance coverage in 2004. The Urban Institute public enrollment data are adjusted for the shortfall in the number of Medicaid and CHPlus enrollees reported in the Current Population Survey (CPS) as compared with the number of enrollees reported by State administrative data for 2006 and weighted to reflect the population in New York in 2009. This simulation results in an estimated 2.7 million uninsured in New York. The Department of Health reports the most recent CPS available with no adjustments (March 2008), which currently shows 2.5 million uninsured New Yorkers in 2007.

2 The Department of Health reports that actual enrollment (including both elderly and non-elderly) in Medicaid, FHPlus and CHPlus was 4.6 million as of February, 2009. The Urban Institute public enrollment data is based on the CPS adjusted as described in footnote 1 and inflated to simulate 2009 values.

3 The Urban Institutes’ calculation of base government spending includes acute care of the non-elderly population. Employer and individual spending is largely for the non-elderly population but includes some costs for the working, privately insured population over 64. Uncompensated care costs are not reported.

4 The Urban Institute’s $28.5 billion dollar public program spending estimate includes CHPlus spending, reflects growth to 2009, and excludes Medicaid spending on the aged and long term care.

5 Specifically, the Commissioner and Superintendent were directed in 2007/2008 New York State Executive Budget to consider the extent to which proposals: (1) rapidly provide universal health coverage to the people of New York; (2) control the cost of health insurance and health care; (3) fairly and equitably distribute the cost of health insurance and health care; (4) improve the state’s economy and the competitiveness of the state’s businesses; (5) promote the economic viability of health care providers; and (6) embrace increased use of preventive medicine to improve quality and reduce health care costs.

6 The Department of Health estimates that 1.2 million uninsured New Yorkers are eligible for public programs. The difference from the Urban Institute estimate may be explained by the use of different years of the CPS, the inclusion of the regional data, higher eligibility levels in public programs since 1996, or differences in how eligibility units were created for simulation.

7 The Freedom Plan proposal, which was introduced in multiple legislative sessions including 2009, also expanded eligibility for the Healthy NY program from 250% FPL to 300% FPL and permit a Healthy NY “buy-in” at higher income levels. Please note that the Urban Institute was unable to model the impact of such an expansion at this time.

8 Costs were calculated as if the 50% tax credit that is phased in over 10 years was in its third year of implementation. Overall costs to government and costs to government per newly insured would increase in future years with full phase in of the tax credit.
Sources of Coverage

- Current Coverage: 61.1%
- Public Health Insurance for All Model 2-1: 15.8%
- New York Health Model 3-1: 74.4%
- Fully Implemented Public/Private Partnership Model 1-17: 60.1%
- Freedom Plan Model 4-1: 13.3%

Employer Sponsored: 21.4%
Non-Group: 1.4%
Public Program: 100%
Uninsured: 7.2%

% of New Yorkers Covered: 100%

Source Data: The Urban Institute, Achieving Quality, Affordable Health Insurance for All New Yorkers: An Analysis of Reform Options, Appendix 1 (July 2009). The Urban Institute estimated the number of uninsured and public program enrollment based on March 2005 CPS for New York and the Northeast Region, which provides data on 2004 coverages. The data was adjusted to account for underreporting of public program enrollment in the CPS as compared to 2006 State administrative data and weighted to reflect the 2009 New York population. This simulation resulted in an estimated 2.7 million uninsured New Yorkers and 3.7 million non-elderly public program enrollees. The Department of Health reports the most recent CPS available with no adjustments (March 2008), which currently shows 2.5 million uninsured New Yorkers in 2007. The Department of Health's actual combined elderly and non-elderly enrollment in public programs was 4.6 million as of February 2009.
Reaching New York's Uninsured Through the Public/Private Partnership Model (Model 1-17)

Percentage of previously uninsured now insured

- Individual Mandate: 100%
- Employer Assessment: 32.3%
- Private Premium Subsidies: 30.4%
- Market Merger: 22.4%
- Public Program Reform: 19.6%

2.7 Million Newly Insured
825,000 Newly Insured
876,000 Newly Insured
606,000 Newly Insured
532,200 Newly Insured

Source Data: The Urban Institute, Achieving Quality, Affordable Health Insurance for All New Yorkers: An Analysis of Reform Options, Appendix 1 (July 2009). The Urban Institute used data and methods to estimate the number of uninsured and public program enrollment based on March 2005 CPS for New York and the Northeast Region which provides data on 2004. Data was adjusted for undercounting of public program enrollment and weighted to reflect the 2009 population.
Annual Net Government Spending Per Newly Insured

Public Health Insurance for All Model 2-1: $21,287

New York Health Plus * Model 3-1: $12,508

Fully Implemented Public/Private Partnership* Model 1-17: $2,663

Freedom Plan Model 4-1: $6,605

* Includes payroll tax assessment

Source Data: The Urban Institute, Achieving Quality, Affordable Health Insurance for All New Yorkers: An Analysis of Reform Options (July 2009). Government spending is reflected as the total of Federal and State spending.
Aggregate Change in Government Spending

- Public Health Insurance for All Model 2-1: $57.7 billion
- New York Health Plus Model 3-1: $33.9 billion
- Fully Implemented Public/Private Partnership Model 1-17: $7.2 billion
- Freedom Plan Model 4-1 (13.3% of New Yorkers remain uninsured): $2.7 billion

Source Data: The Urban Institute, Achieving Quality, Affordable Health Insurance for All New Yorkers: An Analysis of Reform Options (July 2009). Government spending is reflected as the total of Federal and State spending.
Aggregate Changes in Spending by Payer

- **Public Health Insurance for All Model 2-1**: $57.7 billion increase
- **New York Health Plus Model 3-1**: $33.9 billion increase
- **Fully Implemented Public/Private Partnership Model 1-17**: $7.2 billion increase
- **Freedom Plan Model 4-1**: $2.7 billion increase, $1.2 billion increase in employer spending, $2.1 billion increase in individual spending

Source Data: The Urban Institute, Achieving Quality, Affordable Health Insurance for All New Yorkers: An Analysis of Reform Options (July 2009). New government spending is reflected as the total of Federal and State spending.
Total Annual Expenditures Per Insured New Yorker

<table>
<thead>
<tr>
<th>Current Coverage (15.7% of New Yorkers uninsured)</th>
<th>Public Health Insurance for All Model 2-1</th>
<th>New York Health Plus Model 3-1</th>
<th>Fully Implemented Public/Private Partnership Model 1-17</th>
<th>Freedom Plan Model 4-1 (13.3% of New Yorkers remain uninsured)</th>
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Source Data: The Urban Institute, Achieving Quality, Affordable Health Insurance for All New Yorkers: An Analysis of Reform Options (July 2009). Government spending is reflected as the total of Federal and State spending. These numbers were calculated from The Urban Institute's modeling for purposes of effective comparison.
Total Annual Spending Across All Categories

- **Current Coverage (15.7% of New Yorkers uninsured):**
  - Individual Spending: $28.5
  - Employer Spending: $33.3
  - Government Spending: $22.0

- **Public Health Insurance for All Model 2-1:**
  - Individual Spending: $86.3
  - Employer Spending: $23.4
  - Government Spending: $23.4

- **New York Health Plus Model 3-1:**
  - Individual Spending: $62.5
  - Employer Spending: $32.2
  - Government Spending: $22.0

- **Fully Implemented Public/Private Partnership Model 1-17:**
  - Individual Spending: $35.8
  - Employer Spending: $31.3
  - Government Spending: $31.3

- **Freedom Plan Model 4-1:**
  - Individual Spending: $31.3
  - Employer Spending: $31.3
  - Government Spending: $23.2

Source Data: The Urban Institute, Achieving Quality, Affordable Health Insurance for All New Yorkers: An Analysis of Reform Options (July 2009). Government spending is reflected as the total of Federal and State spending.
## Partnership For Coverage- Modeled Proposals Comparison

<table>
<thead>
<tr>
<th>Government Spending</th>
<th>Reduction in Uninsured Spending</th>
<th>Change in Government Spending</th>
<th>%</th>
<th>Per Capita Government spending per newly insured</th>
<th>Total Government Expenditures</th>
<th>Total Government Expenditures per covered life</th>
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<td>Freedom Plan</td>
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<td>$2,749,000,000</td>
<td>9.6%</td>
<td>$6,605</td>
<td>$31,294,000,000</td>
<td>$2,108</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Employer Spending</th>
<th>Change in Employer Spending</th>
<th>%</th>
<th>Per Capita Employer Spending per newly insured</th>
<th>Total Employer Expenditures</th>
<th>Total Employer Expenditures per covered life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Health Insurance for All</td>
<td>-100.0%</td>
<td>-$33,321,000,000</td>
<td>-100.0%</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>New York Health Plus</td>
<td>-100.0%</td>
<td>-$9,920,000,000</td>
<td>-29.8%</td>
<td>$0</td>
<td>$23,402,000,000</td>
</tr>
<tr>
<td>Fully Implemented Public/Private Partnership</td>
<td>-100.0%</td>
<td>-$1,169,000,000</td>
<td>-3.5%</td>
<td>$0</td>
<td>$32,152,000,000</td>
</tr>
<tr>
<td>Freedom Plan</td>
<td>-15.4%</td>
<td>-$2,071,000,000</td>
<td>-6.2%</td>
<td>$0</td>
<td>$31,250,000,000</td>
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</table>

<table>
<thead>
<tr>
<th>Individual Spending</th>
<th>Change in Individual Spending</th>
<th>%</th>
<th>Per Capita Individual Spending per newly insured</th>
<th>Total Individual Expenditures</th>
<th>Total Individual Expenditures per covered life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Health Insurance for All</td>
<td>-100.0%</td>
<td>-$22,033,000,000</td>
<td>-100.0%</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>New York Health Plus</td>
<td>-100.0%</td>
<td>-$17,924,000,000</td>
<td>-81.3%</td>
<td>$0</td>
<td>$4,109,000,000</td>
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<tr>
<td>Fully Implemented Public/Private Partnership</td>
<td>-100.0%</td>
<td>-$50,000,000</td>
<td>-0.2%</td>
<td>$0</td>
<td>$21,983,000,000</td>
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<tr>
<td>Freedom Plan</td>
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<td>$1,187,000,000</td>
<td>5.4%</td>
<td>$2,853</td>
<td>$23,220,000,000</td>
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</tbody>
</table>

## Total Spending

<table>
<thead>
<tr>
<th></th>
<th>Total Change in Spending</th>
<th>%</th>
<th>Total expense across all categories per newly insured</th>
<th>Total expense across all categories</th>
<th>Total expense per covered life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Health Insurance for All</td>
<td>-100.0%</td>
<td>$2,366,000,000</td>
<td>2.8%</td>
<td>$21,287</td>
<td>$86,265,000,000</td>
</tr>
<tr>
<td>New York Health Plus</td>
<td>-100.0%</td>
<td>$6,071,000,000</td>
<td>7.2%</td>
<td>$12,508</td>
<td>$89,971,000,000</td>
</tr>
<tr>
<td>Fully Implemented Public/Private Partnership</td>
<td>-100.0%</td>
<td>$6,001,000,000</td>
<td>7.1%</td>
<td>$2,663</td>
<td>$89,900,000,000</td>
</tr>
<tr>
<td>Freedom Plan</td>
<td>-15.4%</td>
<td>$1,865,000,000</td>
<td>2.2%</td>
<td>$9,458</td>
<td>$85,764,000,000</td>
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</tbody>
</table>