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To: Business and Labor Officials Concerned About Health Care
From: Lou Gordon, Director, BALCONY (212 219 7777)
Peter Slocum, VP Advocacy, American Cancer Society
Date: April 21, 2008
Re: Observations on Health Care Options for New Yorkers

February/March 2008: BALCONY & the American Cancer Society coordinated the "Partnership For Coverage" Business and Labor Meetings for the New York State Department of Health & Department of Insurance in Albany, Buffalo and New York City

BALCONY and the American Cancer Society coordinated a series of roundtable discussions in Albany, Buffalo and New York City between the New York State Department of Health and Department of Insurance, meeting separately with businesses and labor unions.

At least 50 representatives of businesses from a variety of fields and as many representatives from labor unions participated in the meetings to discuss the implementation of the "Partnership for Coverage" health care proposals for New York. In conclusion, it was widely agreed among all participants that these meetings afforded a real opportunity for businesses and labor unions to articulate their concerns and objectives for health insurance reform directly to those responsible for crafting the state's new plan.

Specifically, **Kathleen Shure**, Director of Division of Managed Care and Program Evaluation, and **Lois Simon**, Director of Bureau Program Planning and Implementation, represented the New York State Department of Health in the meetings, while **Troy Oeschner**, Deputy Superintendent, and **Eileen Hayes**, Associate Insurance Attorney for the Health Bureau, represented the New York State Insurance Department.

The meetings took place in Albany on February 27 at the Headquarters of the New York State United Teachers - NYSUT, in New York City on March 7 at the American Cancer Society's 31st Street center, and in Buffalo on March 18 at the Adams Mark Hotel.

Agenda of the meetings:

The discussions both at the business and labor meetings revolved around the key business/labor health insurance concerns, and generated suggestions about how to improve the system. Specific issues that were addressed include:

Key Business/Labor Health Insurance Concerns

- √ Impact of Pharmaceutical Costs
- √ Impact of the Cost of Insurance
- √ Impact of the Cost of Hospital Care
- √ Impact of the Uninsured on Premiums
- √ Impact of NYS Reform Plans on Current Level of Benefits

How to Improve the System

- √ Wellness Programs
- √ Electronic Medical Records
- √ Uniform Claim Forms
- √ Pool Bulk Drug Purchase Plan
- √ Impact of NYS Reform Plans on Current Level of Benefits

More Specific Issues Discussed in the Meetings

Issues Cited by Businesses:

- Premiums are becoming unaffordable to small businesses.
- Businesses complain that the process of choosing a health care plan from the various providers is so laborious and time consuming that it often becomes prohibitive, especially for small businesses.
- Businesses want flexibility in benefits and premiums costs while at the same time the procedure for claiming reimbursement is complex and laborious.
- Hospitality, retail and other businesses that employ part-time workers cannot afford to pay for health care coverage.
- Some employers find that frequent Workers' Compensation claims end up substituting for insurance, and that employees do not want to contribute to insurance when they can fall back on compensation coverage..
- Businesses report that health care insurance is the top issue in negotiations with prospective employees.
- Small non-profit organizations cannot afford to provide health care for their employees.
- Business associations and local Chambers of Commerce want to provide health care to members - small businesses - but are being priced out of the market by sharply rising premiums.
- Small businesses in New York State are frequently unaware of the benefits of Healthy New York, Family Health Plus nor other New York state-sponsored programs to help them provide insurance.
- New York Independent Film and Video Producers expressed a need to cover non-union free lance workers.
- Some businesses spoke about the possibility of incentives to employers who provide benefits.
- Concern about the minimum participation rate for small business to qualify for coverage.
- Businesses are uniformly opposed to employer mandates

Issues Cited by Labor Unions:

- Unions are concerned about being able to preserve what they currently offer, after any health care system reform
- Unions say that they have a Cadillac plan. Why trade it for a Yugo!
- One of the proposals for health care reform suggested by union attendees was that the premiums for catastrophic care should be split off from the basic health care premium and funded through a statewide risk pool.
- Many unions agreed that the cost of retiree health care has increased primarily due to the cost of prescription drugs rather than to the costs of other medical care.

- The impact of large claims on union reserves. Unions are considering lifetime maximums instead of annual maximums.
- The average age of the labor force is increasing, driving up costs.
- Private insurers should be held accountable for the increase in premium costs as well as the refusal to cover health care charges.
- Pharmaceutical Benefit Managers are receiving undue profits at the expense of the union funds.
- Several groups of parochial school teachers were unable to maintain health insurance benefits.
- Many construction trade unions find obstacles in providing their members with health care due to the annual work hour minimum (800-1000h/annually) that is required to qualify members for benefits.
- There was concern over the increased cost of medical care, pharmaceutical prescriptions and supplemental health insurance for union retirees.
- While unions can get lower premiums, that often means higher co-pays, which keep members from accessing care.
- Can health insurance be an economically targeted investment?
- Cost of health care is increasingly becoming a major issue in union - management negotiations.
- Some unions indicated that they would strive to get health care off the bargaining table, while many others want to maintain their ability to negotiate and provide health benefits for their members.

Background:

- Volatility in working hours results in workers bouncing in and out of health care coverage through the course of a year.
- Participants in the meetings unanimously agreed that preventive care and wellness plans should be aggressively promoted.
- Participants strongly supported the implementation of computerized medical records as well as the adoption of a system of uniform health insurance claim forms.
- Many participants recommended an incremental approach to total health care reform.
- Participants agreed the cost of the uninsured (which overburdens hospital expenses) needs to be addressed.
- The issue of undocumented immigrants is a very sensitive and complex issue that also must be addressed.
- The State has a golden opportunity in the next year for reform but the issue is very complicated.
- The concept of pooled risk is critical to a broad universal coverage plan.
- What is the cost of capital for the insurance providers?
- How to create a pool of capital for health insurance companies?
- Should there be a Berger-type commission for New York State health insurance?
- All participants generally acknowledged that Medicare is well run and can serve as a model for health care for all.
- State DOH and DOI representatives indicated that the final plan will not be presented until August or September at the earliest.
- Many participants were curious as to whether Governor David Paterson will also make health care access a high priority.

BALCONY, the Business and Labor Coalition of New York, and the American Cancer Society, have been working to build support for **Affordable Health Care for New Yorkers.** Additional regional forums are being planned for the coming months in 2008.