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January 16, 2009

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**NEW YORK STATE HEALTH FOUNDATION ISSUES FIRST STUDY CONTRASTING
HEALTH INSURANCE EXPANSION PROPOSALS**

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***Comparison Provides Thorough Break-Down of Cost and Coverage Tradeoffs as State Lawmakers and
Policymakers Address the Issue***

January 16, 2009 (NEW YORK) – Competing proposals to reduce the number of uninsured New Yorkers differ vastly in both their potential impact on the problem and costs, according to a new study released today by the New York State Health Foundation (NYSHealth) and conducted by the Columbia University Mailman School of Public Health. This is the first model to compare proposals on the basis of the number of people who would gain coverage, drop private coverage in favor of public options; and how each plan would increase statewide health care spending, including the cost to State government to finance expansions.

Approximately 2.5 million New Yorkers currently are without health insurance. The number of uninsured statewide has been on the rise and may increase even faster due to the economic recession. Hundreds of thousands of private sector jobs are projected to disappear. Even those who remain employed are at risk of losing their employer-sponsored plans as companies cut benefits or shift more costs to workers.

The plans examined in the study include:

- a single-payer or “Medicare-for-All” plan that would replace all current insurers with one, publicly financed system and provide comprehensive coverage to all State residents with no cost-sharing or deductibles;
- three different “building block” plans that would expand government-sponsored programs, create individual buy-in options, and include an option for individual mandates; and
- a market-oriented reform plan that would loosen State health insurance regulations, establish a high-risk pool, and expand private coverage mechanisms.

The single-payer plan would completely eliminate the problem of the uninsured, but also carries the highest price tag to New York State. To provide coverage to approximately 19 million New Yorkers, the State would need to generate about \$66.8 billion through taxes on individuals and employers, although redirecting current employer contributions and individual out-of-pocket costs would offset \$61 billion of this sum. The market-oriented plan would make the smallest dent in the number of uninsured among all the options—newly covering between 100,000 and 130,000 people—and would be the least expensive plan to implement. The building block plans diverge in the number of people they would cover, the extent to which public coverage would substitute for private coverage, and their costs. Building block proposals that include individual mandates would cover significantly more people than those without mandates. Table 1 provides a summary contrast for each proposal along major dimensions.

Table 1. Estimated Cost and Coverage Impacts for All Five Options (2004 Implementation)

Total Covered Through Plan (Thousands)	Reduction in Number Uninsured (Thousands)	Crowd Out of Private Insurance (Thousands)	Remaining Uninsured (Thousands)	Net Additional State Gov't Cost (Millions)	Net Increase in Health Spending (Millions)
Single Payer					
19,000	2,600	11,300	0	\$66,800	\$5,800
Building Block Variation 1					
Without Mandate					
800	500	300	2,100	\$1,000	\$900
With Mandate					
2,400	2,100	300	500	\$4,000	\$5,000
Building Block Variation 2					
Without Mandate					
1,100	700	400	1,900	\$1,900	\$1,000
With Mandate					
2,700	2,300	400	300	\$5,200	\$5,200
Building Block Variation 3					
1,500	1,000	500	1,600	\$3,600	\$1,600
Market-Oriented					
100-130	100-130	0	2,500	\$130	\$280-\$440

“By laying out the costs and coverage benefits of these five competing plans, this study provides policy makers with the fundamental facts they need to debate the innovative solutions that the public deserves,” said **NYSHealth President and CEO James R. Knickman**. “Far too many New Yorkers are unable to afford or access health insurance coverage, and the time has come for us to take the action needed to remedy this dire and growing problem.”

“Expanding health insurance coverage will involve tradeoffs among the number to be covered, the costs involved, and the generosity and comprehensiveness of the coverage,” said **Sherry Glied, Chair of the Department of Health Policy and Management at Columbia University** and lead author of the study.

“These results underscore the maxim that you get what you pay for; larger investments combined with mandates go much further toward achieving universal coverage,” said **NYSHealth Senior Vice President David Sandman**. “Economic security and health security are inextricably linked. Tough economic times are a reason to move a coverage agenda forward rather than to back off these efforts.”

“While no single approach clearly dominates the others, policy makers now have a glimpse into how different proposals could play out,” said **Dr. Olveen Carrasquillo, study co-author and Director of Columbia University’s Center for the Health of Urban Minorities**.

Copies of the complete study are available upon request or online at www.NYSHealth.org.

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NYSHealth is a private Foundation dedicated to improving the health of all New Yorkers. NYSHealth has a three-part mission: expanding health insurance coverage, increasing access to high-quality health care services, and improving public and community health by educating New Yorkers about health issues and empowering communities to address them.