

# Appendix G | Healthy NY

**H**ealthy NY is a program based in New York state that was designed to encourage small employers to offer health insurance coverage to their employees, dependents, and other qualified individuals. Healthy NY is also available to eligible working uninsured individuals, including sole proprietors. Eligibility criteria for each group are summarized below. Qualifying individuals can purchase one of two standardized benefit packages offered through participating health plans. Health plans are able to offer these products at an affordable rate to residents who would likely otherwise go uninsured, because the state serves as reinsurer to the plans for Healthy NY members.

In December 2005, active enrollment in Healthy NY was 106,944. The total number of people ever enrolled in the program (January 2001 through December 2005) is 216,563.<sup>1</sup> Net enrollment (the number enrolled minus the number that left the program) in 2005 grew by 40%, or 30,647 members. The total number of new enrollees in 2005 was 93,387 members, a 76% increase. In the four years since inception, Healthy NY premiums have proven to be consistently lower than in the small group across the state, though savings estimates have varied by region and by year. In 2005, average premiums were approximately 27% lower for Healthy NY members compared to similar plans in the commercial market.<sup>2</sup>

As of December 2005, 56% of enrollees were working individuals, 26% were from small business groups, and 18% were sole proprietors. This represents a slight drop in percentages comprised by working individuals and sole proprietors compared to 2004, where they accounted for 58% and 19%, respectively. However, it reflects an increase for the small business groups, which accounted for only 23% of enrollees in 2004.<sup>1</sup>

## Program Design

***Health Plan:*** Persons meeting eligibility criteria for Healthy NY may enroll in one of two benefit packages (one with prescription drug coverage and one without), which are offered by all participating health maintenance organizations (HMOs) (though premiums may vary by health plan). For both packages, benefits are streamlined to cover essential health needs including: inpatient and outpatient hospital services, physician services, maternity care, preventive health services, diagnostic and x-ray services, and emergency services. Excluded benefits include mental health services, substance abuse treatment, chiropractic care, hospice, home health, and physical therapy. Cost sharing is included in both benefit packages. As of November 2005, 81% of Healthy NY members were enrolled in the benefit package with prescription drug coverage, and 19% were enrolled in the package without. Of those enrolled in the nonprescription drug coverage, 80% were from the categories of sole proprietors and working individuals.<sup>1</sup>

**Reinsurance:** In an effort to keep premiums low, New York is acting as reinsurer with an excess-of-loss provision for all Healthy NY enrollees. The state pays 90% of all Healthy NY members' claims between \$5,000 and \$75,000. In calendar year 2005, claims paid by Healthy NY were estimated at \$31.5 million.<sup>1</sup>

## Eligibility Criteria

**Individuals:** To qualify for Healthy NY, the individual must be a New York state resident (or spouse) with some employment experience within the past 12 months for an employer that does not provide health insurance. The individual must have been uninsured for 12 months preceding application or lost insurance coverage due to a qualifying event (loss of employment, new employer, death of family member, loss of COBRA/group health plan/dependent coverage). The individual must be ineligible for public insurance (e.g., Medicaid and/or SCHIP coverage), and must meet income guidelines (see Table G.1).

**Small Employers:** To qualify as a small business, the business must have fewer than 50 employees, be located within New York state, and have a workforce comprised of at least 30% of employees earning wages of \$34,000 per year<sup>a</sup> or less. The small employer must not have provided (arranged for and contributed a certain dollar amount per employee) group health insurance coverage to their employees within the last 12 months. Employers meeting these criteria are eligible to participate in Healthy NY if they can assure 50% of the eligible employees will participate (and at least one participant earns annual wages of \$34,000 or less), the employer will contribute at least 50% of the premium, and that Healthy NY will be made available to all employees who are working more than 20 hours per week and earning \$34,000 or less.

**Sole Proprietors:** To qualify as a sole proprietor, the individual must be the sole owner and only employee of a business, reside in New York state, and not have had health insurance in effect for the 12-month period preceding application or lost that coverage due to a qualifying event (same as defined for individuals). Sole proprietors have the same income guidelines as individuals (See Table G.1) and cannot be eligible for public insurance.

**Table G.1**  
Healthy NY Income Guidelines\*

Family Size	Annual Household Income**	Monthly Household Income
1	Up to \$25,125	Up to \$2,094
2	Up to \$33,375	Up to \$2,782
3	Up to \$41,625	Up to \$3,469
4	Up to \$49,875	Up to \$4,157
5	Up to \$58,125	Up to \$4,844
Each Additional Person	Add \$8,250	Add \$688

\* The amounts listed are effective January 1, 2006, and pregnant women count as two people. When calculating family size, include the number of family members in the household whether they will be included on the Healthy NY policy or not.

\*\* Approximately 250% of the 2006 Federal Poverty Guidelines determined by the US Department of Health and Human Services.

a Adjusted annually for inflation. The amount listed is effective January 1, 2006.

### References

- 1 Report on the Healthy NY Program 2005. State of New York Insurance Department. Prepared by EP&P Consulting, Inc. December 31, 2005. Available at: <http://www.ins.state.ny.us/website2/hny/reports/hny2005.pdf>. Accessed February 21, 2006.
- 2 Swolak P. New York State Department of Insurance. Personal Communication. February 21, 2006.

*Summarized information was taken directly from Healthy NY program website (<http://www.ins.state.ny.us/website2/hny/english/hny.htm>), and Commonwealth Fund publication no. 820 ([http://www.cmwf.org/publications/publicatioins\\_show.htm?doc\\_id=286904](http://www.cmwf.org/publications/publicatioins_show.htm?doc_id=286904))*

