



**Testimony of the New York Health Plan Association
to the**

NEW YORK STATE SENATE
STANDING COMMITTEE ON COMMERCE,
ECONOMIC DEVELOPMENT AND SMALL BUSINESS
STANDING COMMITTEE ON FINANCE
STANDING COMMITTEE ON AGRICULTURE
STANDING COMMITTEE ON BANKS
STANDING COMMITTEE ON INSURANCE

NEW YORK STATE ASSEMBLY
STANDING COMMITTEE ON SMALL BUSINESS
STANDING COMMITTEE ON WAYS AND MEANS
STANDING COMMITTEE ON AGRICULTURE
STANDING COMMITTEE ON BANKS
STANDING COMMITTEE ON INSURANCE
OFFICE OF STATE-FEDERAL RELATIONS
TASK FORCE ON FOOD, FARM & NUTRITION POLICY

**on the subject of
the federal response to the economic impact of the COVID-19
pandemic on small businesses in New York State**

May 13, 2020

INTRODUCTION

The New York Health Plan Association (HPA), comprised of 29 health plans that provide comprehensive health care services to more than eight million fully-insured New Yorkers, appreciates the opportunity to present its members' views on the economic impact of the coronavirus/COVID-19 pandemic and the federal response to this crisis.

HPA members include plans that offer a full range of health insurance and managed care products (HMO, PPO, POS, etc.), public health plans (PHPs) and managed long term care (MLTC) plans. The New Yorkers who rely on these plans are enrolled through employers, as individuals, or through government sponsored programs — Medicaid Managed Care, Child Health Plus — and through New York's exchange, the NY State of Health (NYSOH).

Our member health plans have long partnered with the state in achieving its health care goals. These partnerships include collaborating on efforts to develop affordable coverage options for individuals, families and small businesses, providing access to care that exceeds national quality benchmarks for both commercial and government program enrollees, and improving access to quality care in its government programs.

We were asked by Assemblyman Cahill to supply written testimony on issues related to health insurance, small businesses, and federal relief during the current COVID-19 crisis. We appreciate the opportunity to offer our comments and would be happy to speak in more detail with the committees if there are questions or if additional information is needed.

HEALTH PLANS' RESPONSE TO COVID-19

Overcoming the current public health emergency has required a far-reaching and coordinated response from governments and the private sector. Since the outset of this unprecedented national crisis, HPA's member health plans have been doing their part, working closely with the state and partners in the provider community to combat the coronavirus, ensure patients have access to needed care, and helping employers struggling with the economic impact of this pandemic. Among the steps that our health plans have taken:

- Waiving cost-sharing for COVID-19 testing, with many plans applying this to their commercial and Medicare Advantage members, and several waiving cost-sharing for treatment related to coronavirus.

- Eliminating cost-sharing for telehealth services, which has helped to facilitate care for the many New Yorkers who are at home and still need care, enabling hospitals to focus their care on the individuals who need to be hospitalized while limiting the exposure of hospital personnel and patients to the disease.
- Providing cash advances and other support to hospitals, physician practices, and others in the delivery system to address the financial uncertainty they're facing.
- Working with the state to establish a Coronavirus Special Enrollment Period to further protect the public health of New Yorkers and ensure that coverage is available to everyone who needs it.
- HPA's plans have responded to the state's call for nurses, medical directors and other clinical staff to assist with the significant demand for health care needs due to COVID-19. To date, more than 350 health plan medical staff have offered to volunteer their time. Further, our members have also provided tens of millions of dollars in funding to nonprofits and human service organizations to support a range of community needs.

This pandemic has destabilized our nation's economy with historic unemployment rates, hitting small businesses particularly hard, and our member health plans recognize that many across the state are experiencing financial hardships as a result of COVID-19. With so many businesses at risk, more companies and more workers are struggling to afford their current coverage, and our members have already been working to support employers and individuals to help them maintain coverage. This has included working with the state to establish multi-month premium deferrals for employers and consumers to provide them with financial flexibility and additional time to make premium payments, as well as advising individuals of available options to help them maintain coverage.

However, more is needed to help meet the health care needs of New Yorkers and to keep them insured. We believe additionally federal support is necessary.

THE NEED FOR FEDERAL SUPPORT TO HELP EMPLOYERS MAINTAIN COVERAGE

The various stimulus packages that Congress has passed have included measures to support small and medium-sized businesses and their employees during this crisis. For example, the Families First Coronavirus Response Act (FFCRA) included a series of refundable payroll tax credits for COVID-19 medical leave costs, while the Coronavirus

Aid, Relief, and Economic Security Act (CARES Act) included loans for small businesses and self-employed individuals.

However, what has been missing is federal support to help employers and individuals maintain their health coverage. Gaps in coverage can lead to serious disruptions in care and significant health consequences for individuals and families. Unanticipated changes in coverage can cause unnecessary stress, especially for those who have serious or chronic health conditions. The loss of coverage will create additional financial and emotional stress for New Yorkers and make the harm and risks associated with COVID-19 much worse.

Last month, HPA and a broad coalition of business groups wrote to the state's Congressional delegation asking that any further stimulus package include federal support to help individuals and small businesses to maintain their coverage. Failure to provide support for premium assistance would increase the number of uninsured in the state, and the loss of coverage will create additional financial and emotional stress for New Yorkers and make the harm and risks associated with COVID-19 much worse.

More recently, HPA sent a follow-up letter, urging the delegation to support a series of targeted approaches to help individuals and small businesses maintain coverage. Among them:

- **Providing Employers with Temporary Subsidies to Preserve Health Benefits.** Many employers experiencing loss of revenue as a result of the economic downturn are compelled, reluctantly, to reduce benefits as one way to manage expenses. Congress could help employers by providing subsidies to preserve health coverage for their employees during this crisis.
- **Covering the Cost of Coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA).** The COVID-19 crisis has already triggered significant job loss. Many individuals may have the option to maintain their job-based health coverage through COBRA but find the costs to be prohibitive, especially if they are facing a significant reduction in income. Congress could offset the full cost of coverage through COBRA to former employees through a direct subsidy.
- **Increasing Eligibility for Federal Subsidies for the Health Insurance Marketplaces.** Some individuals and families earned too much money to qualify for Health Insurance Marketplace subsidies but too little to afford premiums. Congress could expand access to individual market coverage by increasing

eligibility for federal subsidies. Additionally, it could enhance financial assistance for individuals who already rely on the NY State of Health for coverage by reducing the required contribution percentage to lower the cost of premiums.

- **Fully fund public health initiatives directing individuals to be tested for the COVID-19 antibody as part of loosening social distancing requirements.** We are all looking forward to our state reopening its economy and resuming our normal lives. However, we know this will require a significant public health effort to ensure people are healthy, including widespread and frequent antibody testing to prevent a resurgence of the epidemic that has already taken the lives of far too many in our state. This public health initiative will take the continued cooperation of state and federal government and the health care infrastructure. We strongly believe the effort is best directed by local leaders using federal resources to direct testing as part of their reopening strategies.

These steps are necessary to assure that we are able to meet the health care needs of our citizens, help to stabilize the economy by supporting small employers, and secure quality health care coverage for millions of New Yorkers.

We thank you for the opportunity to share our views today.