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MEMORANDUM IN OPPOSITION

FOR IMMEDIATE RELEASE: JANUARY 19, 2021

Re: A.783/S.577 (Cahill/Sanders) – AN ACT to amend the public health law, in relation to coverage of ostomy supplies in the Child Health Plus program

This legislation, A.783/S.577, would mandate coverage for ostomy supplies for the Child Health Plus program. The New York Health Plan Association (HPA) opposes this legislation, as imposing new mandated benefits will increase the cost of coverage for consumers, employers, and the state.

Child Health Plus (CHP) is a comprehensive and affordable health insurance program for children up to age 19, with families paying between a \$0 and \$60 monthly premium depending on income, up to 400% of the poverty level, with more than 350,000 children covered. Annual spending on CHP in New York State is \$2 billion, with the federal government paying 88% of the total under provisions of the Affordable Care Act (ACA).

While we understand the importance of ostomy supplies, we have serious and growing concerns regarding the cumulative policy and financial effect of the increased number of benefit mandate bills being introduced and passed by the Legislature.

Expansion of the CHP benefit will have an increased cost to the state, and could lead to increased cost sharing for low-income working families. Nationally, studies have shown that a 1% increase in premiums results in an average of 120,000 working people LOSING health coverage, which is the opposite of all of the efforts in New York State over the past decade to get more people covered. In addition, the federal share of CHP under the ACA, which increased from 65% to 88%, should be viewed as vulnerable as long as there is any uncertainty about the ACA in Washington, DC. A reduction in the federal share would lead to increased cost to the state. Finally, CHP is currently a program that enrolls children regardless of immigration status. Making it more expensive by mandating additional benefits will jeopardize that success.

For these reasons, we urge to you reject A.783/S.577.

The New York Health Plan Association represents 28 managed care health plans that provide comprehensive health care services to more than 8 million New Yorkers.