

Grant Outcomes Report

A Healthy NY Expansion Demonstration in Upstate New York

I. Executive Summary

The New York Health Plan Association Council (HPA) sought to increase enrollment in Healthy NY among sole proprietors in Westchester and Otsego Counties. HPA partnered with the Business Council of Westchester and Otsego County Chamber of Commerce to educate brokers about Healthy NY benefits, eligibility requirements, and enrollment process, and provided brokers with a \$50 enrollment incentive for each sole proprietor enrolled in Healthy NY during the project period. One-time enrollment incentives of \$50, and later \$100, proved too limited to encourage many brokers to enroll sole proprietors in Healthy NY. The project aimed to increase enrollment by 500 sole proprietors over a 12-month period, and ultimately enrolled 75.

II. The Problem

The 2.6 million uninsured individuals in New York include many sole proprietors and many working individuals for whom there are few affordable health insurance options. In 2001, New York State created the Healthy NY program, which was designed to offer a basic health insurance product for small businesses (two to 50 employees), sole proprietors, and individuals at an affordable price. When introduced, the State estimated the program would extend coverage to as many as 1 million working New Yorkers. Healthy NY has not achieved its potential enrollment and most notably lacks enrollment among sole proprietors. In 2001, sole proprietors constituted 28% of Healthy NY enrollment; in 2006, they represented only 17%. In Westchester County, sole proprietors represented less than 15% of Healthy NY enrollment in 2006 and 21% in Otsego County.

Health plans often compensate brokers for enrolling small businesses in Healthy NY, but rarely for enrolling sole proprietors. HPA assumed that disparate commissions likely contributed to the under-enrollment of sole proprietors in Healthy NY. In addition, alternative commercial health insurance options are more limited and costly for sole proprietors, making access to coverage even more difficult.

KEY INFORMATION:

GRANTEE

New York Health Plan Association Council

GRANT TITLE

Westchester & Otsego Counties Healthy NY Expansion Demonstration

DATES

January 1, 2008 to April 30, 2009

GRANT AMOUNT

\$109,586
(Actual expenditures of \$39,288)

III. Grant Activities

HPA, in partnership with the Business Council of Westchester and the Otsego County Chamber of Commerce, hoped to increase sole proprietors' enrollment in Healthy NY by at least 470 in Westchester County and 30 in Otsego County within 12 months. To achieve these goals, the project team completed the following activities:



1. EDUCATED BROKERS ON HEALTHY NY PROGRAM BENEFITS, PREMIUM RATES, ELIGIBILITY CRITERIA, AND ENROLLMENT PROCESSES.

The project team developed and distributed county-specific Healthy NY materials and conducted Chamber of Commerce educational seminars and broker trainings. Three broker training sessions were held in Westchester County and one in Otsego County. It also developed website content for placement on the Business Council of Westchester and Otsego County Chamber of Commerce websites.

While the project originally planned equal efforts in Westchester and Otsego Counties, the Otsego County Chamber of Commerce encountered organizational challenges—unrelated to the project—in early 2008, which substantially limited its involvement with the project.

2. PROVIDED ENROLLMENT INCENTIVES TO BROKERS.

The project budgeted for \$50 enrollment incentives per contract for each sole proprietor enrolled in Healthy NY. The majority of the project budget was allocated to these incentives. HPA explored this incentive structure with brokers, and it expected this incentive program to be favorably received statewide.

HPA conducted surveys of participating brokers to assess the value of the education and training efforts. HPA also tracked changes in enrollment.

FUNDING INITIATIVE

In April 2007, New York State Health Foundation (NYSHealth) issued a request for proposals (RFP) for one-year projects under a major initiative, *Expanding Insurance Coverage in New York State*, to support programs that addressed the persistent problem of enrolling 1.2 million New Yorkers who were eligible for health insurance coverage, but not enrolled. This project aligned with NYSHealth's goal of developing new approaches for encouraging expansion of more affordable private options. NYSHealth viewed this project as an opportunity to target more affordable options for sole proprietors—a population in need of additional coverage choices.

IV. Key Findings

HPA completed its broker education sessions and made enrollment incentives available to brokers.

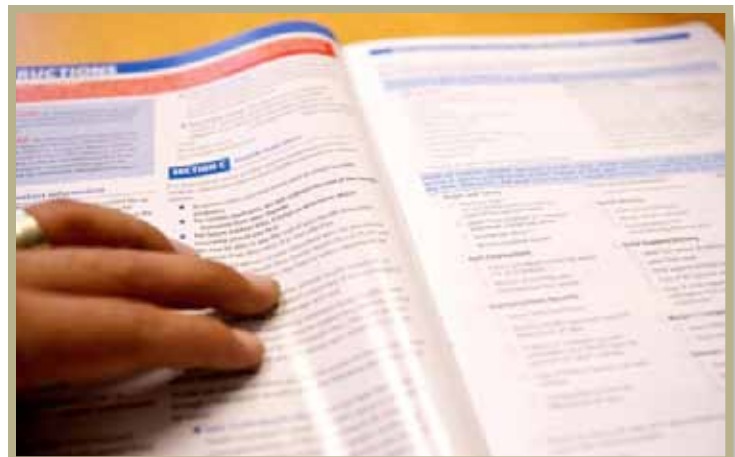
EDUCATION. The educational materials served as a useful tool for brokers and potential enrollees. The Business Council of Westchester posted the materials on its website's home page.

Collectively, more than 30 brokers were trained on Healthy NY. The project added training through three webinars, which resulted in 56 additional brokers being trained.

To assess these education efforts, HPA distributed surveys to brokers who participated in the training session. These surveys, and follow-up conversations with brokers, highlighted some of the challenges in sole proprietors accessing Healthy NY.

- Brokers indicated the Healthy NY enrollment process is onerous, negating the benefit of a one-time monetary incentive.
- Enrollment and annual renewal of a small group in a commercial insurance product is easier and more financially beneficial for the broker than enrolling a small group, let alone a sole proprietor in Healthy NY. Few insurers offer broker commissions for enrolling sole proprietors in Healthy NY, providing no long-term financial gain.
- Many sole proprietors do not meet the Healthy NY income requirements or the requirement of having not been enrolled in health insurance for a 12-month period.
- Healthy NY is a state-supported program perceived among brokers as potentially temporary.

ENROLLMENT INCENTIVES. As planned, HPA made \$50 per contract incentives available to brokers to encourage them to enroll sole proprietors in Healthy NY. By September 2008, no broker had yet enrolled anyone through the demonstration, and the project team increased the incentive to \$100. Over the course of the grant period, 75 sole proprietors were enrolled in Healthy NY through 10 brokers (out of the 85 trained), who each received the \$100 incentive. Because the enrollment incentives were not as widely embraced as originally hypothesized, HPA did not spend a large portion of its grant. These unspent funds were returned to the Foundation.



The project team developed broker educational materials and raised awareness and knowledge about Healthy NY among brokers in Westchester and Otsego Counties; however, the project did not reach its enrollment goals.

V. Lessons Learned

This project underscored the challenges of enrolling sole proprietors in Healthy NY. It had been designed with the assumption that the main impediment to sole proprietor enrollment in Healthy NY was the lack of any compensation to insurance brokers. HPA consulted with brokers about the \$50 incentive structure in advance of the project and was advised that it would be embraced by brokers. The experience of the project showed otherwise. A one-time \$50 enrollment incentive was too low and temporary to overcome the other factors impeding broker participation in Healthy NY—namely, the additional effort required to complete the Healthy NY enrollment process, especially in comparison with other commercial health insurance products that provide higher and ongoing commissions. In a responsive mid-course correction, HPA increased this incentive to \$100, which generated some enrollments by brokers, albeit limited.

The Healthy NY program offers eligible populations a relatively affordable insurance product, but has been challenged in its ability to penetrate the market, especially among sole proprietors. The managed care plans have no incentive to promote the product, insurance brokers lack an incentive, and many sole proprietors lack knowledge of Healthy NY as an option. The project tested a valid approach to directly address these challenges, but ultimately was unable to fully resolve them.

VI. The Future

HPA has not continued the project beyond the grant period since efforts tested in this project did not yield the expected results. Healthy NY remains an option for small businesses, sole proprietors, and individuals who qualify, but the challenge of marketing it remains.

BACKGROUND INFORMATION:

ABOUT THE GRANTEE

The New York Health Plan Association Council (HPA) is a 501(c)(3) nonprofit educational foundation that serves as a resource for businesses, labor, government, and the media, and participates in numerous private and public collaborative partnerships aimed at promoting access and improving the quality of care for New Yorkers. HPA's members include 12 health plans, 10 Prepaid Health Service Plans, and four managed long-term care plans serving the health care needs of nearly 7 million New Yorkers. HPA works closely with government to achieve legislation and regulations that promote quality improvement, cost containment, and efficient use of health care resources.

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