NYSHEALTH SPECIAL REPORT

Improving Health Care Options in New York: the Experience of the Coverage Consortium

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NYS HEALTH FOUNDATION
Improving the state of New York's health

Contents

Executive Summary

Some 2.5 million New Yorkers, or approximately 15% of non-elderly residents, lacked health insurance in 2007. The objective of the New York State Health Foundation's Coverage Consortium was to provide New York State policymakers with well researched policy options for getting more people health insurance. Its larger goal was to harness the thinking of people with diverse perspectives, making the "sum greater than the total of its parts." Starting in July 2007, the Foundation issued 10 grants to seven universities, policy institutes, and community agencies across the State. Each grant focused on one or more ideas for expanding coverage. The projects produced 48 written reports on topics such as merging the individual and small-group insurance markets, expanding access to health care for immigrants, reducing racial disparities, and using free-market strategies to enroll more adults. The economic crisis, the departure of Governor Spitzer, and the re-emergence of health care reform at the national level limited the utility of some studies. Fostering collaboration among Consortium members was challenging.

The Problem/Context

"Health care has been on the docket longer than most Americans can expect to live," wrote Jill Lapore in a December 2009 *New Yorker* article. In 1912, Teddy Roosevelt ran as the Progressive Party's candidate for President on a platform that proposed national health care. In 1935, fearing that his landmark New Deal legislation would fail to pass if it included compulsory health care, President Franklin Roosevelt excluded health coverage from social security. Subsequent attempts by Presidents Truman, Eisenhower, and Kennedy went nowhere. In 1965, amid acrimony, debate, and compromise, President Lyndon Johnson signed Medicare and Medicaid into law. As health care costs began to escalate at an alarming rate, proposals for reform surfaced in the Nixon, Ford, and Carter administrations, but they failed. When President Clinton's 1992 plan to reform health care also failed, national health care disappeared from the policy agenda in favor of incremental changes, such as the State Children's Health Insurance Program (SCHIP).

By 2007, shortly after the New York State Health Foundation (NYSHealth) made its first grants, approximately 45.7 million Americans lacked health insurance. Some 2.5 million New Yorkers, or 15% of non-elderly residents, did not have coverage despite a complex array of public and private programs designed to help them. According to the United Hospital Fund, of the 85% of New Yorkers with coverage, 59% received it through their employer, 22% through public programs, and 4% bought it on their own.[1]

Some New Yorkers were more likely to be uninsured than others:

- Immigrants: immigrants, including those living in the United States legally, were three times more likely to be uninsured than native-born Americans.
- Adults: 18% of adults lacked coverage, compared with only 7% of children, mainly because children are more likely to be eligible for public programs.
- Low-income families: nearly two-thirds of families with incomes below 200% of the Federal poverty level were uninsured.

New York's insurance landscape included some distinguishing features:

- Approximately 1.05 million of the 2.5 million uninsured residents in 2007—780,000 adults and 270,000 children—were eligible for, but not enrolled in, public programs.
- New York's individual and small-group insurance markets are more regulated and less flexible than those markets in other states.[2]

[1] Allison Cook, Emily Lawton, and Danielle Holahan. "Health Insurance Coverage in New York, 2006-2007." New York, N.Y.: The United Hospital Fund, June 2009. Retrieved from **http://www.uhfnyc.org/assets/649**. August 20, 2010.

[2] Tarren Bragden. "Rx New York: A Prescription for More Accessible Health Care." New York, N.Y.: Empire Center for New York State Policy, a Project of the Manhattan Institute, undated. Retrieved from **http://www.empirecenter.org/Documents/PDF/Rx_11_07.pdf**, August 20, 2010.

Grant Strategy

The New York State Health Foundation is a private statewide foundation dedicated to improving the health of all New Yorkers. Its roots are in insurance—it was established in 2002 by the State legislature to receive charitable funds resulting from the conversion of Empire Blue Cross Blue Shield from a nonprofit organization to a for-profit corporation. The Foundation's enabling legislation explicitly mandates increasing health insurance coverage as a core part of its mission.

The Foundation works to be a credible source of information that spans political and ideological lines. In its roles as a convener of diverse perspectives and as a funder, the Foundation helps policymakers examine and select sound public policies. According to David Sandman, Ph.D., and Senior Vice President of the Foundation, "The formation of the Consortium was an effort to establish NYSHealth as an independent and credible source of analyses that could inform changes in public policy and practice."

When the Coverage Consortium was established in 2007, New York appeared ripe for instituting changes to its health insurance programs. State officials watched with interest when, in 2006, Massachusetts passed far-reaching legislation providing universal coverage to residents. Eliot Spitzer, the State's activist Attorney General, became New York's governor in January 2007 with an ambitious health care reform agenda embodied in his "Partnership for Coverage" initiative.

Expected Outcomes Of The Consortium

NYSHealth expected that the Consortium would achieve two overarching outcomes. First, it anticipated that funded agencies would produce reports and papers that New York State officials would find useful in debating policy options. By establishing an effective dissemination strategy, it hoped to make timely information available to a broad spectrum of stakeholders.

Second, it expected that Consortium members would learn from one another and establish new partnerships. According to James R. Knickman, Ph.D., President of the Foundation, "We wanted to create a consortium in which talented people would come together and enrich one another and themselves. We hoped to make the sum greater than the total of its parts." By funding geographically, substantively, and philosophically diverse agencies under the Consortium, the Foundation hoped that key organizations and decision-makers would work together on solutions and action steps. While grantees conducted their studies independently, the Foundation convened periodic Consortium meetings during which members discussed their project designs and preliminary findings. See Grant Activities section for summaries of funded projects.

Foundation staff anticipated that results of some projects, those that policymakers most utilized, would lead to subsequent grants.

Grant Activities

The Consortium supported projects that could inform State health reform efforts, offer ways to streamline enrollment in public programs, significantly reduce costs and improve quality, and test ideas for expanding coverage among small employers, sole proprietors, and self-employed people. In all, the Foundation allocated nearly $3 million for the Consortium. These funds supported seven Consortium member organizations that conducted 10 projects:

- **Columbia University's Mailman School of Public Health** documented and analyzed five expansion proposals, modeled the general costs and consequences of each, and analyzed public opinion about coverage preferences. Project directors Olveen Carrasquillo, M.D., and Sherry Glied, Ph.D., found that the single-payer approach would cover the most people with the most comprehensive benefits and would be the simplest to administer. It would also cost the most. On the other end of the spectrum, the market-based approach would cover the fewest people, but would cost the least. Their analyses of public testimony indicated that although most responders agreed on access, affordability, and quality as tenets of reform, "they put forward quite varied—and often contradictory—opinions and policy prescriptions on how health insurance expansions should proceed."
- The **Community Service Society of New York** analyzed racial disparities in health care access and outcomes for New Yorkers enrolled in public insurance programs and examined ways to reduce those disparities. Project Director Elisabeth Benjamin, M.P.H., J.D., reviewed literature about strategies to reduce disparities, analyzed data collected by the State regarding 12 health measures, and convened a Racial Disparities Roundtable. She found evidence of significant disparities, with blacks having worse outcomes than other groups on 10 of the 12 health measures, and Latinos and whites having better outcomes on some measures and worse outcomes on others. Benjamin recommended that the State monitor health plan data by race and ethnicity, publicly disclose disparities by plan, institute pay-for-performance approaches, streamline enrollment in public programs, and launch retention initiatives with health plans.
- Researchers at the **Cornell University Department of Policy and Management** surveyed 1,200 residents by telephone regarding their opinions of health insurance reform. They also surveyed 475 employers and convened eight focus groups of residents and small business owners. Project co-directors Kosali Simon, Ph.D., and William D. White, Ph.D., found that residents are open to a range of reform ideas. More than 80% said they would pay something for reforms that reduced the number of uninsured, and more than 60% said they would pay at least $50 per year. They also reported that 72% to 88% of employers said they bear some responsibility to provide coverage.
- The **Manhattan Institute for Policy Research** received two grants under the Coverage Consortium. Under the first grant, project director Paul Howard, Ph.D., convened two

conferences that examined market-based strategies to increase access to insurance for people purchasing insurance as individuals and by employees of small businesses. The Institute's white paper, "Rx NY: A Prescription for More Accessible Health Care in NY," served as the background for discussion at the conferences. Conference speakers included project directors of other Coverage Consortium grants, officials involved in the Massachusetts health care reform, advocates, and health care providers.

- Under the second grant, the **Manhattan Institute** examined ways to offer unsubsidized insurance to adults. Howard contracted with a polling firm to survey 1,000 non-poor uninsured adults and to conduct three focus groups. He and colleagues also simulated the effects of four specific options and convened a conference to explore ways to open New York's private individual market. Survey and focus group respondents indicated that steep premiums were the most important factor in their decision to go without coverage. Respondents were surprised to learn they were not permitted to buy insurance offered in nearby states and were concerned about the scarcity of information available to them. The simulations found that repealing community rating, which requires insurers to limit variances in premiums, and guaranteed issue, which prohibits insurers from denying coverage, would reduce the uninsured by 37% and lower premiums by 42%. Seventeen to 26% of people said that they would buy insurance sold in Connecticut and Pennsylvania, if they were allowed to do so. Howard recommended that insurers be allowed to eliminate community rating and guaranteed issue, and that the State create a separate insurance pool for the chronically ill.

- The **Nelson A. Rockefeller Institute of Government Health Policy Research Center** at the State University of New York (SUNY) received two grants under the Consortium, both focused on better understanding the small-group insurance market. In the first grant, project director Courtney E. Burke, M.S., analyzed experiences of all states in reforming their small-group insurance markets and created in-depth case studies of three states. Her overarching conclusion is that "...a lot of strategies had been used, but none had been implemented on a large scale. Strategies had not been combined with other strategies, so that the overall impact of policies was small and hard to measure." State strategies fell into three categories: increasing supply, simplifying administration, and providing subsidies. States shared challenges, such as sustaining funding, administrative complexity, and inability to evaluate outcomes. Factors that increase the odds of success include inclusivity in program design and governance, flexibility in adapting policies, attention to details, and sustainable funding.

- Under the second grant, the **Rockefeller Institute** analyzed three topics that emerged during the first grant as warranting further attention: financing small business health coverage expansions, minimizing risk related to covering high-cost individuals, and standardizing coverage products. Burke reviewed literature, convened two public forums, and contracted with experts to prepare in-depth analyses in each topic. The *financing analysis* concluded that there are potential revenue sources for universal coverage. The analysis also noted that

policymakers should use open processes in making decisions, financing should be shared among multiple parties, and recommended strategies should pay attention to lowering costs. The *risk management analysis* found that fears that only people with high medical needs would seek coverage prompts insurers to charge higher premiums, and that strategies, such as merging small groups and individual markets exist but are unexplored. The *product standardization analysis* found that if products aren't standardized and presented clearly, consumers find it difficult to make responsible choices.

- **New Yorkers for Accessible Health Coverage** identified barriers immigrants encounter in getting coverage, analyzed strategies for marketing insurance to immigrants, examined expansion proposals under consideration by the State, and recommended policy changes to increase immigrant enrollment in public programs. In three reports from the project, Mark Scherzer, Esq., and Jenny Rejeske, M.S., reported economic, legal, cultural, and logistical problems immigrants face in getting coverage. They also found that commercial insurers do a better job than public agencies in reaching out to immigrants. Scherzer concluded that effective health insurance "connectors" should be independent of any insurer, use community brokers, offer an array of products, be embedded in multiservice agencies, and be linguistically relevant to the target group.

- The **United Hospital Fund of New York** received two grants from the Consortium, both "to continue to advance an empirically grounded and politically sensitive campaign to promote universal coverage." In the first grant, project co-directors Peter Newell and Danielle Holahan, M.P.H., and colleagues integrated and analyzed information gathered from the Census Bureau, insurance executives, and reviews of State laws to create a comprehensive picture of health insurance in New York. They prepared a report, three issue briefs, three coverage chartbooks, and a data update paper, all written so as to guide and inform policymakers. The report, "The Big Picture: Private and Public Health Insurance Markets in New York," explains the State's insurance system and analyzes in detail the public and private markets side by side in one document. The issue brief, "Impact of Merging the New York Small Group, Healthy New York and Direct Pay Health Insurance Markets," opened this technical issue to a wide audience. The Fund shared findings via briefings, roundtables, invitational meetings, and conferences. Fund staff also served as expert panelists at public hearings.

- Under the second Consortium grant, David A. Gould, Ph.D., and colleagues at the **United Hospital Fund** analyzed the impact of recent Federal legislation expanding Consolidated Omnibus Reconciliation Act (COBRA) benefits to newly unemployed people. The General Assembly used this guidebook to enact legislation ensuring access to benefits for workers at small firms. The Fund also updated reports produced under the first grant, thereby providing a picture of coverage trends over time. It analyzed ways the State could use information from third parties to determine Medicaid and SCHIP eligibility. The Governor used this analysis in formulating proposals for "express lane eligibility" in his proposed budget.

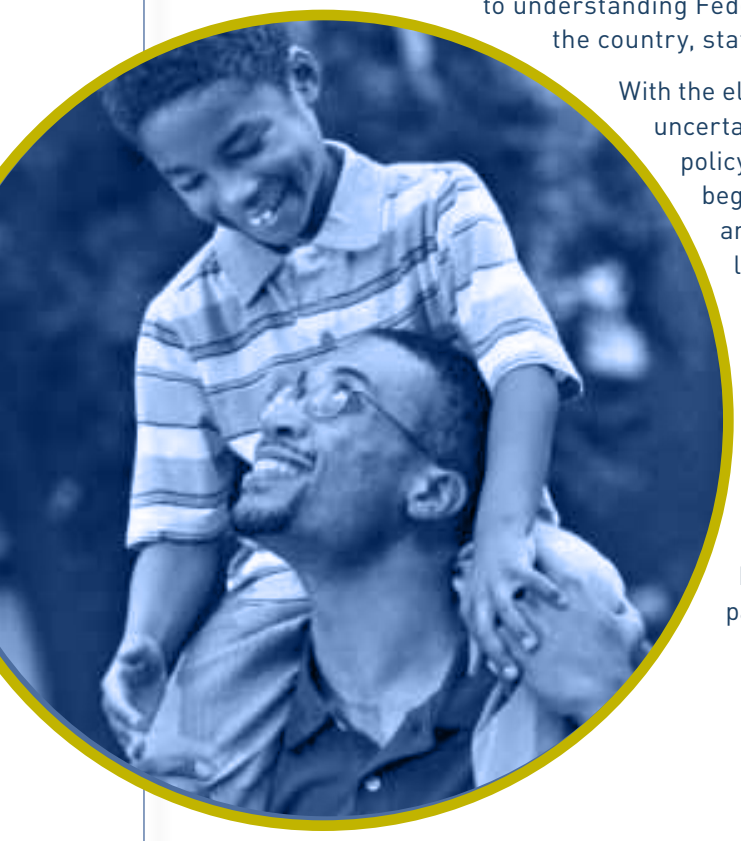
A SHIFTING EXTERNAL ENVIRONMENT

The State and national policy environments changed dramatically over the life of the Consortium. Three changes are especially worth noting.

The sudden departure of Governor Spitzer in March 2008 after only one year in office hobbled the State for some time and sidetracked his Partnership for Coverage. While the new Governor, Paterson, shared Spitzer's agenda, he was not viewed as having the same level of political influence that Spitzer had.

In addition, the State and national economies took a deep nosedive in late 2008. People lost their jobs, their homes, and in many cases, their savings. Faced with looming budget deficits, it became clear that the State would not have funds for additional coverage expansions.

Perhaps most important, the 2008 Presidential election put national health care reform up front and center for the first time since President Clinton's 1992 effort. All of the candidates offered proposals for reforming health care. Researchers, State policymakers, and advocates, including Consortium grantees and the Foundation, turned their attention to understanding Federal proposals and trying to influence them. Across the country, state-based efforts at reform took a back seat.



With the election of President Barack Obama in 2008, the uncertain prospects for national health reform dominated policy debates. Consortium grantees and the Foundation began devoting significant time and resources in analyzing and possibly influencing the emerging legislation. This shift in focus did not derail any of the projects, but it made some of them more challenging to complete. NYSHealth Senior Vice President David Sandman observed, "We took a deliberate pause in coverage-related projects while we waited to see the outcome of Federal legislation. We didn't want to make investments that would be obsolete or misguided. We did, however, continue to aggressively fund cost containment-oriented projects that would be relevant regardless of whether Federal reform passed or not."

Results

GRANTEE PERFORMANCE

Except as noted, grantees performed their work, produced an abundance of new information, and broadly communicated their findings. The 10 projects produced and disseminated approximately 48 written reports, issue briefs, and meeting summaries. Several grantees convened conferences aimed at sharing findings and soliciting feedback from a diverse group of stakeholders. Some were invited to present their findings at national conferences.

INFLUENCE ON POLICYMAKERS

In at least two situations (noted below), State officials used grantee products as the basis for amending specific laws. Informal briefings and consultations were as valuable as written products and did help formulate the State's response to Federal reform proposals. One State official said, "We [New York State] did a lot of work on the Federal reforms...We did briefings for all of them [New York's Congressional delegation] using the information from the [United Hospital Fund's] 'Blueprint' and other materials." Another high-ranking State official agreed that, "Some of the individual projects produced some useful information."

However, State policymakers generally did not use Consortium products to the degree that had been hoped for. This was partly due to the enormous environmental changes noted earlier, but it was also because decision makers either did not find the study topics important or they found the products too academic. This disappointing result yielded important lessons and reflections for NYSHealth, summarized below.

THE CONSORTIUM

The vision of the Consortium as an integrated body of work did not fully come to fruition. Foundation staff concluded that the Consortium did not, as hoped, create a "sum greater than the total of its parts," and staff members offered their thoughts as to why. Kelly Hunt, senior program director when the Consortium started, noted, "When we approved the project, we didn't sell it as much as we might have and the grantees didn't naturally take to the idea of a consortium...We did bring the grantees together for several meetings, but they never jelled, even though there was good information-sharing."

"There was not a common understanding of what the Consortium meant. It ended up functioning more as a set of stand-alone grants. We did not expect the group to reach consensus on what should be done, but we thought we would get shared ideas. Some of the members proved reluctant to collaborate," said Sandman, who joined NYSHealth partway into the Consortium.

Nonetheless, at least some grantees found the Consortium useful and appreciated being part of it. One project director said, "It [the Consortium] was a useful convening because it had a broad ideological array. Sometimes that wasn't comfortable, but it was good... It was useful

to have a venue for discussion in which people laid their cards on the table... It did help to see how health policy gets mixed with ideological assumptions. I think the Foundation should do more of this." Another grantee agreed that, "It was good that New York State Health Foundation set up a Consortium that included a wide range of organizations with different points of view."

Another grantee endorsed the Foundation's persistence in engaging different points of view, but questioned whether a consortium was the best vehicle for doing that. "Consortia are hard to organize and run. They [the Foundation] have to engage a range of people. I think they should focus on stimulating high-quality, local organizations to do the work they are committed to doing, and to doing it better."

COMMUNICATIONS AND DISSEMINATION

Sandman observed that the Consortium was started at a time when the Foundation itself was brand new and introducing itself to the health policy field in the State. In fact, the Consortium was the very first "strategic" grants program launched by the Foundation. "You can't ignore the fact that Foundation was in its infancy and the Consortium was an initial attempt to establish the Foundation's identity and brand. Reputations are not built overnight," said Sandman.

The Consortium was an effective way to shape and form the Foundation's communications strategy. "For the first time, we issued reports as Foundation reports, rather than having each grantee release its report separately. We created an imprint for ourselves, and the reports were identified with us," said Sandman.

Lessons Learned and Reflections

Choose well qualified grantees that not only do high-quality work, but that have credibility with State stakeholders. In some cases, this might involve funding projects conducted by organizations outside New York. State officials have limited time and will gravitate to organizations that understand the realities of working in government. They will use products that present ideas within those realities. State stakeholders found some Consortium projects to be too academic, and they lost interest. Academic researchers generally conduct rigorous studies involving complex datasets with the goal of advancing knowledge. Public officials generally depend on concise position papers that guide them toward a decision; their goal is action.

When trying to influence State policies, involve State stakeholders from the start. The Foundation should ask policymakers to help determine the topics and products, and be aware that academics and policymakers may have different perceptions of what is useful or important. Provide policymakers with solid evidence presented clearly and in terms that guide them in making decisions. At times, the Consortium and the State often appeared to be working on parallel rather than integrated tracks. At the same time, the Foundation must be mindful to maintain its independence. Private foundations exist to push government further than it might otherwise go.

Collaboratives are easier said than done. Foundation staff wanted to harness the energy and thinking of diverse groups, but may not have paid enough attention to the specific activities required to make that happen. The Coverage Consortium addressed an especially large and complex topic—getting more New Yorkers health insurance. Future efforts might focus on more clearly and narrowly defined topics, many of which will emerge as the State, insurance companies, providers and community organizations struggles to implement Federal reforms.

Supporting diverse points of view is a valuable goal, but is distinct from achieving impact on policy. The Coverage Consortium engaged grantees across the ideological spectrum in undertaking controversial projects at a volatile time in the State's history. Influencing State policy and fostering diverse points of view are different goals. If the goal is to influence State policy, involve the State and give officials products they can use. If the goal is to support diverse points of view, fund projects to do that.

The Foundation should be proactive in announcing and disseminating findings from projects it funds. Grantees benefit from the Foundation's involvement in disseminating findings from projects. The Foundation has a broader reach than some of its grantees and has developed effective methods of releasing reports.

The Future

The Consortium ended when the projects were completed. As national health care reform took shape, the Foundation re-examined its coverage agenda. "In coverage, our priority will be to develop initiatives to implement national health reform in New York. We will issue requests for proposals for demonstrations and other projects. We may also provide the local match for organizations that apply for new Federal funds but need a local match to get the money," said NYSHealth President Knickman. In thinking about the Foundation's work through the Consortium, Knickman said, "The constant element in our grantmaking is funding a range of people in New York in a way that establishes us as open and eclectic. We want impact and we are willing to take risks to get there."

In June 2010, Foundation staff and the Board of Directors agreed on three priority strategies related to its interests in expanding insurance coverage:

- Help New York implement the coverage provisions of the Affordable Health Care Act.
- Expand primary care access. New York needs to ensure that there is adequate primary care capacity in place as more people gain coverage.
- Contain costs. The Federal legislation includes funding for State cost-containment demonstrations. New York should be well positioned to apply for those funds.

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