

STATE WIDE

New York StateWide Senior Action Council, Inc.
275 State Street, Albany, NY 12210 • (518) 436-1006 • Fax (518) 436-7642
www.nysenior.org

Frequently Asked & Answered Questions ***NY Health and Medicare***

Pending state legislation known as *NY Health* would ensure that ALL New Yorkers have comprehensive insurance coverage through a single payer system. Sometimes *NY Health* is referred to as “Improved Medicare for All.”

Why do we need *NY Health*? This legislation will eliminate the financial burden of large deductibles and copayments which serve as a barrier to accessing health care, and also impoverish many New Yorkers. Even with Medicare coverage, seniors are seeing a substantial portion of their income and assets devoted toward increasing health care costs, including premiums, deductibles and co-payments. According to our colleagues at *Social Security Works*, 37% of the average Social Security check goes toward out-of-pocket health care costs. *NY Health* creates a publically funded and privately delivered health insurance system that promotes prevention and care coordination. Implementing *NY Health* will save money by reducing waste and eliminating insurance administrative costs and profit. Participation becomes affordable, not subject to deductibles and unknown out of pocket costs throughout the year. The 2019 bill introduction of *NY Health* amends previous versions to include long term care, an important component of the continuum of care.

What is a single payer system? There would be no insurance companies selling insurance. The NYS Department of Health would set up a secure system that provides every NY resident with the same benefit card and access to the same comprehensive benefits package. The Department of Health will pay providers – your doctor, your hospital, your nursing home, your home care agency and all other medical care providers and suppliers. Every NY resident will have the same comprehensive coverage; there would be no separate Medicaid insurance or Medicare insurance.

No Medicaid and no Medicare? That’s right. NYS would apply for a waiver from the federal government to allow the money for Medicaid that goes to the state and Medicare funding that currently goes to insurance companies (Medicare Advantage Plans/HMOs, and Part D Prescription Drug plans) to go into the NY Health Trust Fund. The payments the federal

government makes to providers for Medicare services under Medicare Part A and B would also go to the NY Health Trust Fund. Even if the federal government did not approve the request for a waiver, *NY Health* will wrap around the federal benefits, so that Medicare enrollees would select Original Medicare (fee for service) and the *NY Health* plan will eliminate the need for supplemental coverage to eliminate deductibles and copays. Your Medicare card would still be yours to use, mostly for out of state travel, if needed. You would not have to select your Medicare coverage, worry about open enrollment decisions, or find yourself stuck with large out of pocket costs.

What do Medicare enrollees pay to be included, if *NY Health* is approved to administer our Medicare benefit? NYers enrolled in Medicare would not pay anything additional to be part of NY Health, and they would surely save money. The bill is funded by a payroll tax (like FICA) for NYers that are employed (80% employer contribution/20% employee contribution that could be negotiated lower) not by a personal income tax. It is expected that most workers would achieve a savings when enrolled, compared to what is paid currently for health insurance and out of pocket costs, even though there will be a new payroll tax. Retirees would not pay a payroll tax and would not have to pay into the trust established to fund the benefit.

- ***The goal would be NO Medicare PART B Premium for anyone***, regardless of their income. Currently, Medicare enrollees pay a monthly premium for Part B. This is most often taken out of a Social Security check, unless the Medicare beneficiary is low income, and then premium supports offset some or all premiums and out of pocket costs. To have Medicare work with *NY Health*, a federal waiver would be necessary. If NYS didn't get that method approved, NY could alternately remove the income limits on its Qualified Medicare Beneficiary (QMB) program. Then, the *NY Health* fund could pay all New Yorkers' Part B premiums, regardless of their income, just as it now does for low-income seniors through the QMB program.
- ***No deductibles or copays***. No supplemental coverage needed. Currently, Medicare enrollees have a deductible for hospitalizations and co-payments for doctor's office visits and other services. Medicare enrollees have coverage for 80% of the care and are responsible for a 20% cost share. Many chose to buy supplemental insurance, often known as Medigap coverage, with an additional monthly premium to cover their responsibility for cost sharing and copayments. Under *NY Health*, 100% of care is covered and there would be no supplemental costs or insurance needed. Some people currently avoid the cost share by joining a Medicare Advantage plan, but often that means their choice of hospital or doctor or other provider or prescription coverage is limited. Some plans also charge a monthly premium. Under *NY Health*, there are no closed networks of providers and every NYer will have access to the same covered prescription drugs and medical supplies.

- **NO Medicare PART D Premium** (prescription drugs) for anyone, regardless of their income. Currently, Medicare enrollees pay a monthly premium for Part D. Sometimes this is included in the Medicare Advantage plan's coverage. Sometimes low income NYers receive premium support. Under *NY Health*, everyone will be free from Part D premiums, regardless of income.

Will *NY Health* cut Medicare benefits? NO. In addition to removing out of pocket costs, deductibles and eliminating Medicare Advantage restrictions on access to a specific network of providers, *NY Health* will expand benefits. That's why *NY Health* is also called "Improved Medicare for All." The benefits will include comprehensive outpatient and inpatient medical care, primary and preventive care, long term care, prescription drugs, laboratory tests, rehabilitative, dental, vision, hearing, etc. All of the benefits required by current state insurance law or provided by the state public employee package, Family Health Plus, Child Health Plus, Medicare, or Medicaid, would be included and other benefits will be added.

- **Dental coverage** is not covered under Medicare. Dental services, including dentures, will be included as a covered benefit under *NY Health*.
- **Vision care** is not covered under Medicare. Eye exams and eye glasses will be included as a covered benefit under *NY Health*.
- **Hearing aids** are not covered under Medicare. Hearing aids will be included as a covered benefit under *NY Health*.
- **Long term care** is not covered under Medicare. Currently, Medicare enrollees have only short term rehabilitative home care, or they have Medicare coverage for short term care in a rehab facility if they have met the prerequisite inpatient hospital stay requirement. Otherwise, Medicare enrollees must use private long term care insurance or spend down income and assets to be eligible for Medicaid. The *NY Health* bill now includes long term care. Once enacted into law, there would no longer be any worry about Observation Status days in the hospital preventing institutional rehab coverage, as we have under Medicare rules. There would no longer be a spend down to Medicaid or a wait to be approved for Medicaid in order to access community/home or institutional long term care.
- Care management may not be available to all under Medicare. Under *NY Health*, everyone will have access to care coordination - help to get the care and follow-up the patient needs, coordination of referrals, and assistance navigating the system. But there would be no "gatekeeper" obstacles to care.

How will I know if my doctor accepts *NY Health*? Under *NY Health* there will be no other insurance in our state. Doctors and other health care providers will not be paid by insurance any longer for anyone who is a state resident, regardless of age. So, unless doctors refuse to participate in the only coverage available and only except cash payments for services, your

doctor will accept payment from *NY Health*. (Except for elective plastic surgery which is not a *NY Health* benefit, and is not a Medicare benefit either.) The bill has several provisions very attractive to physicians, including the fact that they will no longer need to spend so much staff time to manage billing codes and collect payment. Additionally, the bill sets up a payment negotiation system that physicians have long sought to have a voice in how they are paid for services.

How will *NY Health* interact with retiree health insurance benefits? Ultimately, all pension health benefits that are covered under *NY Health* will be administered through *NY Health*. This will be phased in after thorough discussion with retiree health plan administrators/unions. Those benefits that a retiree's health plan covers that are not covered under *NY Health* (if there are any) could still fall to the retirement health system.

How will *NY Health* work if I need care out of state? As with most health coverage, *NY Health* covers health care services when a member is out of state, either because health care is needed while the member is traveling or because there is a clinical reason for going to a particular out-of-state provider. If an out of state provider does not accept *NY Health*, your Medicare card will continue to work when you are out of state and your out of pocket costs will be covered by *NY Health*. Certainly, there would be no need for any concern with out of state providers if we had a national single payer system for all.

Are there other benefits that Medicare enrollees should know? *NY Health* will save money by eliminating insurance company profits and reducing administrative costs. As a result, the "local share" of Medicaid funding - a major burden on local property taxes - would be ended.