

Reforming New York's Individual Health Insurance Market: *Reactions and Perspectives*

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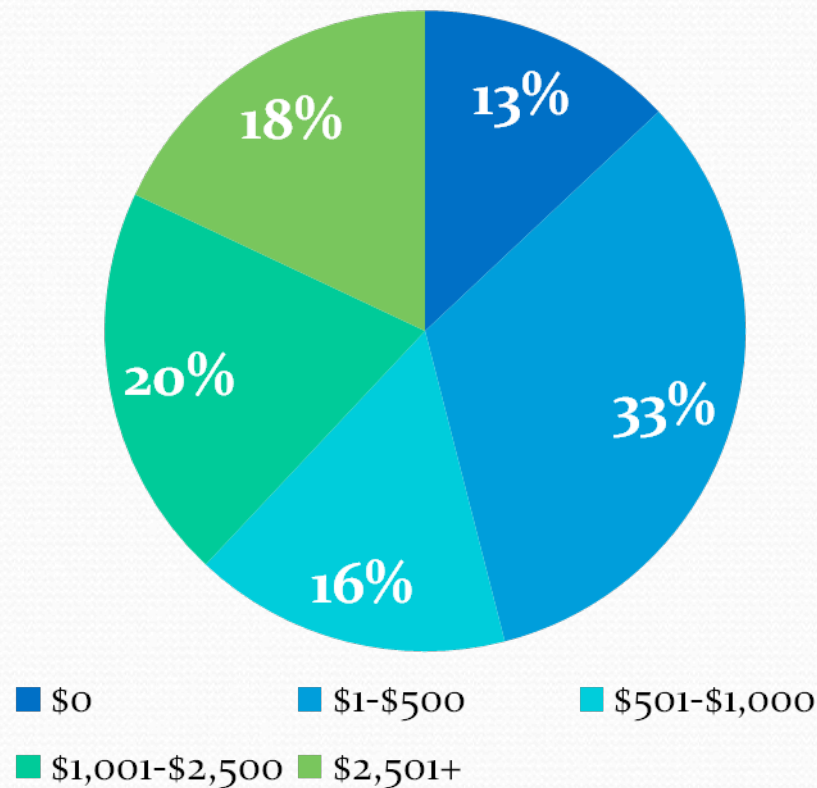
Goals

- Expand health insurance choices
- Provide an increased number of lower cost health plans to individuals and small businesses
- Increase the number of New Yorkers who voluntarily buy un-subsidized private coverage
- Reserve increasingly scarce public dollars for priority populations – truly poor, those with disabilities, and the elderly

Warnings

- Don't try to be original, be effective
- Don't modify a broken system – replace it with one already proven and working elsewhere
- Look at populations who could voluntarily buy coverage and target subsidies to truly poor or uninsurable

How Much Health Care Do People Actually Use?



Adults age 18-44 (privately insured all year in Northeast, 2005)

This is 1.5 million of the 2.1 million uninsured NY adults

- Median (half more/half less) - \$626
- Average (mean) - \$2,178

Source: Medical Expenditure Panel Survey, 2005,

www.meps.ahrq.gov

Once a High User, Always a High User?

- For the top 10 of every 100 health care consumers (using more than \$5,000 in 2005) in a given year (who consume 65% of all health care used)
 - only 4 will be in the top 10 the following year (41%).
- However, those 50 with the lowest consumption (less than \$800 per person in 2005, using 7% of all health care used)
 - 38 will be low users the following year (75%).

Source: Agency for Healthcare Research and Quality, Nov 2007, Statistical Brief #191.

A Closer Look at the Problem

Age Range	Number of NY Uninsured	Average Household Income (10%/month)	NYC Direct Pay Premium	CT Individual Ins Premium - \$1,500 deductible	CT High Risk Pool PPO Premium - \$1,500 deductible
19-29	811,000	\$55,500 (\$465)	\$600-\$1,700 a month	\$87-\$204 M \$81-\$350 F \$112-\$261	\$309 M \$601 F
30-39	490,000	\$48,500 (\$404)		\$121-\$305 F	\$411 M \$622 F
40-49	409,000	\$43,500 (\$363)		\$168-\$390	\$609 M \$709 F
50-59	311,000	\$48,500 (\$403)		\$183-\$471 F \$276-\$695	\$1050 M \$951 F
60-64	110,000	\$53,000 (\$441)		\$246-\$601 F \$404-\$934	\$1340 M \$1135 F
					\$301-\$824 F

Sources: Census Bureau, NY Insurance Department, Ehealth.com, and CT Health Reinsurance Assn (2,500 enrollees with \$9.2 million in subsidies – Kaiser Family Foundation)

Potential Impact of Increased Choice

- Parente, Feldman, Abraham & Xu - 2008
 - 1,500,000 additional in NY with private coverage
 - Includes allowing plans licensed regionally to be sold in NYS