



Implementing the ACA in New York State: One Statewide Foundation's Approach to Preparing for 2014

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Background

A major priority of the New York State Health Foundation (NYSHealth) since its inception in 2006 has been to increase health insurance coverage in New York State. During its first few years of operation, the Foundation supported work to help simplify and reform Medicaid with the objective of expanding enrollment of eligible families.¹ The Foundation also supported community-based organizations eager to expand coverage.² While some projects were successful, it became apparent that achieving a sizable increase in coverage would be very difficult without statewide or national health reform. Funding effective but ultimately small-scale projects was not going to have a large impact on the problem of 2.6 million uninsured New Yorkers.

With President Obama's election, widespread health reform became more likely. NYSHealth closely monitored the federal health reform debate, prepared a plan to support health reform in New York State, and was ready to act soon after the Patient Protection and Affordable Care Act (ACA) became law on March 23, 2010, and national reform became a reality. The ACA makes sweeping changes to the availability, affordability, and funding of health insurance coverage in the U.S., which should promote near-universal coverage over the next decade. It increases substantially the likelihood that New Yorkers will be able to afford health insurance coverage.

Once the ACA passed, it was clear to NYSHealth that the ACA's ultimate success or failure would depend largely on implementation. Furthermore, NYSHealth recognized that successful implementation would depend on the states. As the only statewide health foundation in New York and one with a core mission to expand coverage, NYSHealth felt that it had an important role to play in advancing the successful implementation of health reform. It sought to play this role using its grant funds, its ability to convene diverse stakeholders, and its internal expertise in the subject area.

¹ In 2011, an estimated 1 million New Yorkers were eligible for but unenrolled in Medicaid. See *Making Public Health Insurance Programs Work Better: Partnering with The New York State Department of Health To Reform Medicaid*. New York State Health Foundation, April 2011, <http://nyshealthfoundation.org/resources-and-reports/resource/making-public-health-insurance-programs-work-better-partnering-with-the-new>.

² To read more about these efforts, see: <http://nyshealthfoundation.org/resources-and-reports/resource/an-assessment-of-new-york-state-health-foundation-2007-health-insurance-cov>.

Methods in Brief

This report considers the strategy and some of the work NYSHealth undertook to help implement health reform in New York State and assesses the impact of the Foundation's investments. Exhibit 1 summarizes the logic behind NYSHealth's health reform implementation grantmaking strategy and outlines some of the short- and long-term goals the Foundation sought to achieve. Ultimately, the Foundation hoped its work would lead to increased health insurance coverage among New Yorkers. Clearly, it will be difficult to attribute meaningful increases in health insurance coverage directly to the work of NYSHealth. For this outcome to be attributed even in part to NYSHealth, it would be necessary to show that the State implemented health reform as it intended and that NYSHealth's investments had a significant impact on that implementation process. The full impact of implementation work will not be known for several more years.

The focus of this report, therefore, is the Foundation's ability to reach some of its shorter-term goals related to health reform implementation. Exhibit 1, panel 3, shows short-term qualitative outcomes that could rationally be attributed to NYSHealth's contributions. This paper relies on these short-term qualitative measures to assess whether NYSHealth's grants in this area have in fact helped the State to implement health reform. They are not quantitatively measurable; therefore, the Foundation relied on the perceptions of eight stakeholders identified by NYSHealth as knowledgeable about both the State's health reform initiative and the work of the Foundation (see Appendix). An outside consultant, Judith Wooldridge, conducted these interviews and developed the findings and conclusions in this report.

EXHIBIT 1

LOGIC MODEL: *New York State Health Foundation Health Reform Implementation Grants*

PURPOSE

- 1
- Help New York State prepare for implementation of health reform: Basic Health Plan, Health Benefit Exchange, Seamless Coverage, Risk Adjustment, Consumer Experience
 - Constraints: Time, Knowledge of the ACA, Knowledge of New York State health insurance environment

APPROACH

- 2
- Prepare for ACA passage and be ready to make grants within a few weeks of the ACA becoming law in March 2010
 - Make grants to trusted grantees with policy knowledge and appropriate technical skills to ensure rapid start-up and ability to identify issues and their resolution
 - Incorporate stakeholder involvement into grant scopes of work to gather information and assess alternative approaches to ensure relevance

SHORT-TERM OUTCOMES (THE FOCUS OF THIS PAPER)

- 3
- Grant project collected relevant data and provided stakeholders with opportunities to give feedback (SOURCE: RESPONDENTS)
 - Findings disseminated to policymakers timely for decision-making on schedule (SOURCE: RESPONDENTS)
 - Findings relevant and helpful to policymakers and other stakeholders, especially in making design and implementation decisions and passage of relevant legislation and regulation (SOURCE: RESPONDENTS)
 - New York State is doing as well as or better than other “leader” states in orderly implementation (SOURCES: RESPONDENTS, RWJF HEALTH REFORM TEAM)
 - Health reform implementation progressed in an orderly way and NYSHealth grants were attributed a role in this (SOURCE: RESPONDENTS)
 - Overall impact of the grants on health reform implementation (SOURCE: RESPONDENTS)
 - Stakeholders who are familiar with NYSHealth’s work on insurance coverage agree that the Foundation was effective at creating impact on this issue in New York State by 2012 (SOURCE: NYSHEALTH 2012 STAKEHOLDER SURVEY)
 - Early grantmaking lessons (SOURCE: DEVELOPED BY REPORT AUTHOR BASED ON FINDINGS)

INTERMEDIATE OUTCOMES

- 4
- Health reform is implemented by State on schedule and without major hiccups
 - New York does as well as or better than other “leader” states in orderly implementation
 - New York health reform as implemented included all the intended elements
 - Consumers are able to enroll in the Exchange (and the Basic Health Plan if New York State adopts it) without undue difficulties
 - 50% of stakeholders who are familiar with NYSHealth’s work on insurance coverage agree that the Foundation is effective at creating impact on this issue in New York State by 2014 (NYSHEALTH PROGRAM INDICATOR)

LONG-TERM OUTCOMES (NYSHEALTH SOCIAL INDICATORS)

- 5
- The number of New Yorkers with health insurance coverage increases
 - The proportional increase in coverage in New York State is at least as large as or greater than in other “leader” states

Foundation Strategy

To be ready to act quickly and decisively once the health reform bill passed, NYSHealth staff engaged in scenario planning and began developing a plan of action in advance of passage of the ACA. The Foundation’s plan, entitled “New Strategies for a New Era,” was refined once the ACA became law and was presented to the Foundation’s Board of Directors in June 2010. The NYSHealth Board is responsible for approving broad funding strategies as well as each individual grant awarded by the Foundation.

In presenting this plan to the Board, staff members described health reform as the largest opportunity the Foundation had ever had to make an impact on coverage in New York State, with health reform likely to increase coverage by more than 1 million New Yorkers. They also pointed out that now was a fruitful time to address health system improvements and cost containment. The plan laid out a role for NYSHealth as a facilitator for getting the right people to the table to discuss how best to implement reform in New York. It also described a role for NYSHealth as a leader that could support work to inform policymakers’ decisions, fund advisory services and technical assistance, evaluate programs, and work with the State when their agendas overlapped. This plan was consistent with the Board of Directors’ imperative that the Foundation should not be “doing the work of the State government.” In addition, NYSHealth staff proposed collaborating with other funders to make more effective use of NYSHealth’s funds and to build partnerships. Finally, the plan laid out a rationale and options for (1) implementing coverage expansions, (2) strengthening access for newly insured New Yorkers, and (3) advancing cost containment and system reform.³ The Board approved the strategy and the Foundation immediately began to implement it.

Both NYSHealth and the State of New York took large but calculated risks in embracing federal health reform from the outset. The ACA was enacted in a highly partisan environment, many states immediately rejected the law, and multiple lawsuits were filed to overturn the law. The availability of federal funding was uncertain and a multitude of guidelines needed to be created by federal policymakers. For a long period, the ultimate fate of the ACA was uncertain. But given the potential for large-scale impact on access to health care, it was a risk that both the Foundation and the State were willing to take.

Another catalyst for early action was the recognition of the vast amount of work that had to be done in a short timeframe to implement major components of the law. For example, a centerpiece of the ACA is the Health Benefit Exchange, through which uninsured people will be able to enroll in a health plan. Exchanges will offer qualified health plans through

³ This paper limits its focus to implementation related to coverage expansions.

Foundation Strategy (continued)

a streamlined eligibility and enrollment system.⁴ These plans must meet standards set by the ACA with respect to practice, the benefits they offer, the prices, out-of-pocket costs, and deductible levels. The Exchanges must have websites where people can assess their options and their eligibility for coverage, and also apply for coverage. The Exchanges must also assess applicants' eligibility for insurance coverage subsidies introduced by the ACA. Other important elements of the ACA are Navigator and Consumer Assistance Programs to help individuals applying for health insurance through an Exchange, a Basic Health Plan option if the State chooses to offer it through the Exchange, and risk-adjusted payments to plans. Health Benefit Exchanges must begin accepting applications by October 1, 2013, and be fully operating by January 1, 2014.

To implement the ACA required New York State first to clarify the law and subsequently to issue regulations in light of its current insurance laws, its Medicaid program, and the options the ACA offered; second to assess the policy choices open to the State; and third to pass legislation necessary to implement its choices. Moreover, if the State chose to implement its own Health Benefit Exchange (as it did), it would need to develop extensive new computer systems to facilitate insurance applications and eligibility checking. The extensiveness of the required work and the short period for designing and implementing the Health Benefit Exchanges provided NYSHealth with opportunities to advance implementation and to collaborate closely with the State.

⁴ For a compact summary of Health Benefit Exchange responsibilities, see *Building the Infrastructure for a New York Health Benefit Exchange: Key Decisions for State Policymakers*, page 2. Peter Newell, United Hospital Fund, New York, 2011. Available at: <http://nyshealthfoundation.org/resources-and-reports/resource/building-infrastructure-new-york-health-benefit-exchange-key-decisions>.

Grantmaking for Health Reform

Within just a few months of the ACA's passage, NYSHealth started to fund projects related to ACA implementation. This report focuses on a subset of seven health reform grant projects, completed in 2012 or earlier, that were expected to increase insurance coverage. The grants supported work on the Health Benefit Exchange, Navigator and Consumer Assistance Programs, the Basic Health Plan option, risk adjustment, and support for developing a website design for the Exchange. In addition, a "Roadmap" project reviewed the provisions of the ACA as they affect New York State and an Information Technology (IT) gap analysis identified deficiencies in New York's current system for assessing Medicaid eligibility and enrollment.⁵ Table 1 lists these seven grant projects, which sum up to \$1.66 million.

TABLE 1
HEALTH REFORM GRANT PROJECTS

GRANTEE	TOPIC	GRANT DATES AND GRANT AMOUNT	PROJECT SUMMARY	RELATED REPORTS
Center to Promote Healthcare Access/Social Interest Solutions (SIS)	Eligibility and Enrollment Systems Inventory and Plan for New York State, Phases One and Two (IT Gap Analysis)+	12/28/2010–7/29/2011 \$349,878 (Phase I) \$150,000 (Phase 2)	SIS inventoried and analyzed New York's eligibility and enrollment system; interviewed stakeholders from multiple State agencies, the Governor's office, and New York City and local agencies; compared the current eligibility and enrollment system with federal requirements for ACA implementation; and produced a gap analysis (Phase 1 Final Report). In the follow-up Phase 2 grant project, SIS provided technical assistance to the State and prepared a requirements document.	<i>Preparing New York's Information Technology Infrastructure for Health Reform: A Gap Analysis</i>
Community Service Society of New York	Exploring the Role of the Basic Health Plan Option in New York State++	10/6/2010–12/27/2011 \$290,750	The study reviewed the ACA provisions for a Basic Health Plan and estimated the number of people who would be eligible for a Basic Health Plan in New York, the number who would avoid paying a penalty because they could afford to enroll in a Basic Health Plan, and the savings accruing to the State of having the plan with its federal funding versus not having it.	<i>Bridging the Gap: Exploring the Basic Health Insurance Option for New York</i>
Empire Justice Center	Implementing Health Reform: Planning for the Navigator and Consumer Assistance Programs++	12/20/2010–12/2/2011 \$128,739	The study answered design questions posed by the ACA for implementing Navigator and Consumer Assistance Programs in New York and recommended four choices to policymakers.	<i>Connecting Consumers to Coverage: The Role of Navigators and Consumer Assistance Programs in Implementing Health Reform in New York</i>

continued

⁵ The IT gap analysis was a competitive procurement; the Roadmap project was a solicited proposal. The risk adjustment and website design projects were collaboratively funded. The remaining grant projects were proposed by groups that had previously been NYSHealth grantees; their subjects were ones that were in NYSHealth's plan and the scopes of work were negotiated with the applicants.

Grantmaking for Health Reform (continued)

GRANTEE	TOPIC	GRANT DATES AND GRANT AMOUNT	PROJECT SUMMARY	RELATED REPORTS
Manatt Health Solutions	Federal Health Reform: Impact and Opportunities for New York State (The Roadmap) ++	5/14/2010–10/22/2010 \$75,000	The study identified specific tasks, decisions, and considerations for implementing provisions that have the greatest impact on New York. It summarized each provision, gave a timetable for its implementation, analyzed fiscal and other implications, and identified key issues and decisions policymakers needed to address.	<i>Implementing Federal Health Care Reform: A Roadmap for New York State</i>
Tides Center/ IDEO	Creating a “First-Class” User Experience for Insurance Exchanges (IDEO-UX)*	7/27/2011–6/22/2012 \$150,000	The project created a flow-chart of the process by which people apply and are found eligible for insurance through interactions with the 11 states in the Early Innovator grant program; designed a prototype for the Health Benefit Exchange “front end” that states could adapt; and communicated that design to both the participating states and CMS, which planned to use the design for the federal Exchange and to other interested states.	<i>Creating a First-Class User Experience in the Health Insurance Exchange: A Webinar</i>
United Hospital Fund	Implementing Health Reform: Immediate Issues and Options in Designing New York’s Insurance Exchange++	10/6/2010–2/3/2012 \$496,000	The study identified the design choices New York must make in establishing a Health Benefit Exchange by analyzing the ACA, State law and regulation, and the experience of other states. It described the pros and cons of making different choices and recommended that the Exchange should be an independent public authority. The project resulted in five analytic reports exploring a range of technical issues related to the Exchange.	(1) <i>Building the Infrastructure for a New York Health Benefit Exchange for State Policymakers;</i> (2) <i>Coordinating Medicaid and the Exchange in New York State;</i> (3) <i>Two into One: Merging Markets and Exchanges under the Affordable Care Act;</i> (4) <i>Passive/Active: Defining the Role for a Health Benefit Exchange in the Interests of New Yorkers;</i> (5) <i>Defining Essential Health Benefits: Federal Guidance and New York Options</i>
Wakely Consulting Group	Health Reform: Implementing Risk Adjustment in the New York Context**	11/29/11–9/7/2012 \$15,000	NYSHealth funded two meetings on risk adjustment in New York City in December 2011: one a policy expert roundtable (a follow-up of an earlier roundtable held in May 2011 by NYSHealth with the same group); the other a meeting of technical experts to discuss risk adjustment mechanisms.	<i>Risk Adjustment and Reinsurance under the ACA: New York State Recommendations</i>

*NYSHealth collaborated with the California HealthCare Foundation, the Robert Wood Johnson Foundation, The Colorado Health Foundation, the Blue Shield of California Foundation, the California Endowment, Atlantic Philanthropies, and the Kaiser Permanente Community Benefit Fund in funding this IT project.

**NYSHealth collaborated with the Robert Wood Johnson Foundation to fund the project conducted by the Wakely Consulting Group on risk adjustment mechanisms.

+This grant was competitively procured.

++This grant was solicited.

Key Findings

Following is a summary of key findings and major themes related to NYSHealth’s ACA implementation grants.

Rapid Grantmaking Yielded Timely Information for State Decision-making. Given the short time within which health reform had to be implemented, NYSHealth moved quickly to develop and approve grant projects through solicited proposals and competitive procurements. Even before ACA passage, NYSHealth consulted with State officials about ways to support health reform without duplicating State efforts and was ready to start making grants very soon after the law was passed. In fact, early on, Foundation projects were crucial in getting State work underway—they enabled progress to be made in laying out critical design choices concerning the Health Benefit Exchange sooner than the State could have funded such work itself. (The State needed to apply for and receive Centers for Medicare & Medicaid Services (CMS) grants before it could fund contractors to examine these issues.) Stakeholders said:

NYSHealth jumped right on it. The Foundation provided a bridge and it can move more quickly with funding projects than the State. NYSHealth asked the State what big decisions the State had to make and funded projects that would help... address those questions.”

“Within its Board’s requirements, the Foundation is nimble—it doesn’t have laborious procurement regulations like the State.”

“Without NYSHealth, the State would have been set back a bit.”

“The Foundation talked to the State about what the State wanted and got to work right away.”

“NYSHealth coordinates closely with the State on topics and funding. The Foundation is helpful in applying funding where needed.”

By the end of 2010, NYSHealth had awarded the first five of the seven grants listed in Table 1.

NYSHealth made one grant—the Roadmap project—only two months after the ACA became law. This project, solicited from Manatt Health Solutions, laid out specific tasks, decisions, and considerations for implementing provisions that would have the greatest impact on New York. As one stakeholder put it, “The Roadmap was crucial early on. It was perfectly timed.” The Roadmap project was “a nice scan of the health reform landscape” that laid out a timeline of the steps the State needed to take and the key decisions the State would have to make. Stakeholders said it was helpful for getting planning underway.

Key Findings *(continued)*

Projects were completed in time to inform critical decisions. One stakeholder said: “When the State got the big [Exchange] Establishment grant from CMS, it was ready to start spending—the NYSHealth projects helped the State to jumpstart its work.” The same stakeholder also noted, “The Roadmap was crucial early on and the IT Gap project was crucial for decision-making about whether to buy [new IT systems] or build [the new systems needed for health reform].” Stakeholders who did not work for the State were less likely to view the work as timely; one said that a final report “was useful but a bit late and really did not influence the legislation.”

NYSHealth Partnered with Others to Fund Critical Implementation Work. To address issues that required funding beyond NYSHealth’s resources but were critical to successful ACA implementation, when possible the Foundation partnered with other funders. The Tides/IDEO UX project to develop a first-class user experience of the Health Benefit Exchange website was funded by a group of national and state foundations under the leadership of the California HealthCare Foundation.⁶ For another project, NYSHealth expanded upon work being conducted in New York State with funds from the Robert Wood Johnson Foundation (RWJF). RWJF was supporting the Wakely Consulting Group to conduct technical work on risk adjustment; NYSHealth added funding to engage stakeholders in roundtables with policy experts and health plan technical staff. This funding collaboration was welcomed by both foundations as an opportunity to work together and to share in costs.⁷

NYSHealth Funded Topics that Clarified Issues and Helped the State Implement Health Reform. NYSHealth believed that a primary audience for its work was State officials with official implementation responsibilities and sought to ensure that its work was relevant and useful

“These projects provided important analysis on key pieces of health reform. They helped frame the debate, identify the issues, and make better choices.”

to them. To meet the needs of policymakers, NYSHealth collaborated with the State on the selection of topics, so it is not surprising that stakeholders consider NYSHealth’s grant topics to have been the right ones to work on.

Stakeholders consistently viewed the NYSHealth projects as clarifying the key issues that the State would have to confront in implementing health reform. One noted, “These projects provided important analysis on key pieces of health reform. They helped frame the debate,

⁶ The funds were passed to IDEO through Tides.

⁷ For RWJF, one attraction of including New York in the health reform technical assistance project in the first place was that it would provide an opportunity to work with NYSHealth.

Key Findings *(continued)*

identify the issues, and make better choices.” Together with input from relevant outside stakeholders, projects that clarified the issues helped the State make policy decisions. A State stakeholder commented that “it is always very helpful to the State to have outside support and outside voices contributing to the discussion.”

Grantees’ products were seen as valuable to policymakers in helping them to implement health reform. For example, “the [United Hospital Fund (UHF)] Exchange project was very high quality and influential” and “the Health Exchange design helped [policymakers] think through the type of exchange they wanted and why.” The essential health benefits analysis

“I find this model [of grantmaking] lacking.”

(also produced by UHF) “was comprehensive, laid out the options, [and] contributed to and advanced the discussion by providing details and thoughtful analysis.” In the IT Gap analysis, the grantee (Social Interest Solutions) held numerous tightly-focused meetings with the Departments of Finance, Insurance, and Health to identify gaps and to discuss solutions.

Some work undertaken by NYSHealth overlapped with work undertaken by the State. For example, both the State and the Foundation funded projects to look at the costs and benefits of the State developing a Basic Health Plan (an ACA option); both also funded work on the essential health benefits to include in plans marketed through the Health Benefit Exchange. The State worked closely with its own and NYSHealth’s Basic Health Plan grantees. The two projects came to the same conclusions about the direction of the effect a Basic Health Plan option would have—decreased costs and increased insurance coverage—though the NYSHealth-supported analysis by the Consumer Service Society of New York (CSS) estimated larger effects. Some people considered this to be duplicated work, but others thought that “having both projects helped in the end.” NYSHealth staff members believe that, “for policy questions of great consequence, it can be useful to have multiple studies address the same questions and either affirm or dispute their conclusions.”

Grantees Were Generally Well Chosen. Stakeholders had high regard for grantees chosen by NYSHealth. They overwhelmingly agreed that grantees asked the right questions, collected relevant data for their analyses, and prepared high-quality products. Furthermore, the Foundation is recognized as influencing the quality of final grant products through a rigorous review process.

A number of stakeholders had reservations about project products prepared by advocacy organizations. They believed that advocates could do good analytic work but that their known policy positions affected their recommendations. One person remarked, “They are unable to separate their recommendations from their advocacy positions” and “I find this model [of

Key Findings *(continued)*

grantmaking] lacking.” A perceived lack of objectivity in reports makes them less useful. NYSHealth, however, sees merit in sometimes working with advocacy organizations on analytic projects. As one staff member remarked, “Their end game is not simply to produce a report. They continually sell their ideas and work to transform analysis into action.”

Effective Meetings Were Convened. According to stakeholders, NYSHealth and its grantees gathered input thoughtfully and created opportunities to give and get feedback. For example: “They got the right people in the room to talk about technically detailed issues like risk adjustment and health insurance exchanges where real conversations took place.” And, of the risk adjustment project: “The issues were addressed in an open and deliberative process.”

Furthermore, at stakeholder meetings convened by the grantees, grantees provided good feedback on what they had learned and what the principal issues were—and stakeholders had opportunities to comment. One stakeholder said, “This was a real plus of the implementation

“They got the right people in the room to talk about technically detailed issues like risk adjustment and health insurance exchanges where real conversations took place.”

grants. There is a good feel at [the Foundation’s] stakeholder meetings, which are a good size and develop real conversations about issues and options for directions.” On the risk adjustment project: “The meetings were highly technical and detailed and exposed important issues in risk adjustment. This got the stakeholders thinking about the options.” And, it “had the plus and minus conversation about the best approaches to implementation, not just an education about the issues.”

Most stakeholders commented on how representative the convened meetings were of the various interest groups. Stakeholders reported that NYSHealth included appropriate representatives of health plans, business, providers, consumer groups, and others at the meetings, although one stakeholder commented that the meetings often included “the usual people” and underrepresented the business community.

Project Products Found Diverse Users. All the grant projects reviewed in this paper are completed and a diverse audience uses their products: final reports, webinars, and technical materials. Not only the State—clearly the primary intended audience for these materials—but also consumer advocates, health plans, health providers, businesses, other states, policy analysts, and researchers have used these products. For example, when the State asked for public comments on the Health Benefit Exchange design, the United Hospital Fund’s Health Benefit Exchange project materials provided excellent background and the State received many comments. Consumer groups (as well as the State) have continued to use the products of the Basic Health Plan and Navigator projects. The risk adjustment project’s products were

Key Findings *(continued)*

described as directly relevant to the State and helpful in getting agreement. The report was “great and a superb PowerPoint presentation—it was so clear and clean there were fewer dissents than there easily might have been.”

Findings Do Not Always Determine Decision-making. Stakeholders recognized that grant projects’ implicit or explicit recommendations are not always acted upon, but in no case was this felt to be a result of poor-quality work. In one case, a lack of federal guidance on the Basic Health Plan option has caused New York (and other states) to defer making final decisions on whether to exercise this ACA option. In another—the Health Benefit Exchange project—proposed legislation would have established an independent public authority to house the Exchange. That legislation passed in the State Assembly but was ultimately not taken up by the State Senate. Instead, the Governor formed the State’s Health Benefit Exchange by executive order, which required that it be a part of State government. Some of the Roadmap project’s final report recommendations were overridden by guidance subsequently provided by CMS—perhaps an inevitable result of starting the work so early.

Two NYSHealth-Funded IT Projects Stood Out as Having Most Helped the State Implement Health Reform: the IT Gap Analysis and IDEO UX. Stakeholders agreed that these two IT projects provided the informed technical expertise the State needed, which helped the State progress on the Health Benefit Exchange and its front end much faster than it would have done otherwise.

The IT Gap analysis was helpful to the State in validating the direction that the State had taken in its Early Innovator health reform proposal to CMS (this proposal was awarded in February 2011, shortly after the IT Gap analysis project began). Later, the IT Gap analysis helped the State in its successful applications for large CMS Exchange Establishment grants: when the State

“It is always very helpful to the State to have outside support and outside voices contributing to this discussion.”

submitted its proposal to CMS, it included the executive summary of the IT Gap analysis project in fulfillment of a proposal requirement. (The State received \$340,568,564 in Establishment grants,⁸ which have funded most of the work on the Health Benefit Exchange.)

Stakeholders also described the IDEO UX project as having helped the State implement the Exchange. NYSHealth wanted New York State to take part in this project, which was designed to help states and CMS meet the ACA requirement that their Health Benefit Exchange websites

⁸ Source: Henry J. Kaiser Family Foundation, State Health Facts website: <http://www.statehealthfacts.org/profileind.jsp?cat=17&rgn=34>.

Key Findings *(continued)*

have a friendly and accessible portal for applicants. The project developed a prototype design for this purpose. Stakeholders said that the project helped the states and CMS avoid duplication of effort, the concept was excellent, and the process was helpful. The IDEO UX project educated the State's staff on how to approach implementing the front end of the Health Benefit Exchange and provided useful style guides and wireframes for developing the portal. "Having the design has educated us about the type of clean, uncluttered screens we want. It was also a huge learning experience which made us much smarter dealing with the IT folks who are building the system." A stakeholder who described this helpful process lamented that the prototype was never tested in the real world—that it had never really got past the design stage—and that the State still has a lot of work to do to implement the design.

New York State Is Doing as Well as or Better Than Other "Leading" States in Orderly Implementation of Health Reform. Stakeholders Credit NYSHealth with Supporting the State's Orderly Implementation. Non-State stakeholders pointed out that the State went about health reform thoughtfully, involving everyone and developing evidence-based recommendations for policymakers. Both State and other stakeholders regard New York as among the states leading health reform implementation. This is despite the loss of a whole year in Health Benefit Exchange planning resulting from lack of support among legislators for the recommended independent public authority design. The major issues facing the State as it completes the Health Benefit Exchange are building the Exchange's front end and completely replacing its 40-year-old Medicaid eligibility and enrollment system. It is not alone; many other states that have elected to build their own Exchange need to replace their Medicaid enrollment systems. (New York and other leading states like Oregon and Maryland are sharing their experiences, challenges, and solutions with other states as they implement their Exchanges.) Nevertheless, New York State staff stakeholders agree that they will be ready to receive applications for health insurance through the Exchange on October 1, 2013, and will be fully operational on January 1, 2014. New York received conditional approval from CMS for its Health Benefit Exchange in December 2012.

Stakeholders hold NYSHealth in high regard and believe that the orderly progression of New York's health reform planning and implementation owes something to the Foundation's grant support. In the period immediately before and after ACA passage, the Foundation and the State discussed the type of support that would be most helpful to the State; stakeholders have described the Foundation as nimble and quick to provide that support. Indeed, one stakeholder highlighted the strategic nature of NYSHealth's grantmaking. Moreover, because NYSHealth grant projects resulted in high-quality analyses of key aspects of health reform that were often influential in the State's design choices, stakeholders said those projects helped the State to progress quickly—jumpstarting the State as it assessed its choices and moved from planning to early implementation.

Final Reflections

Stepping back from the specific reports of stakeholders, and from the short-term process measures described in Exhibit 1, what has NYSHealth’s overall impact been on health reform implementation in New York State? Does it appear likely that New York will implement health reform on time and as intended and that the Foundation will have helped it to do so?

New York has had an orderly process of health reform implementation and State staff members believe they will implement health reform on schedule. Moreover, NYSHealth appears to have had a variety of effects on this process:

- By discussing with the State the types of support that would be useful and by moving quickly and nimbly to provide that support, NYSHealth helped the State to get going more quickly than it otherwise would have.
- NYSHealth’s informed and committed staff and the high quality of its grantees mostly resulted in high-quality products whose credible and objective findings were used by the State to make design decisions.
- By airing policy and design issues with stakeholders and clarifying the decisions that needed to be made, NYSHealth helped the State to make decisions.
- By supporting critical IT projects, NYSHealth helped the State to win large Establishment grants from CMS that have been used to design and implement the Health Benefit Exchange.
- By funding technical support for the massive IT effort for building the Health Benefit Exchange and its front end, NYSHealth helped the State to implement the Exchange.

In short, the Foundation’s work to date has had specific and overall positive effects on implementing health reform in New York State.

Grantmaking Lessons Learned

An important part of reflecting upon the outcomes of a group of grants is to draw on any grantmaking lessons that emerge. Previous assessments of NYSHealth's grantmaking have helped Foundation staff take stock of their work and improve upon it. To that end, several lessons emerge from these ACA implementation projects that NYSHealth and other funders could apply to future grantmaking:

- The ability to act quickly is highly valued. The Foundation's relative agility and flexibility are among its greatest strengths. Maximizing its ability to move in a nimble fashion and make rapid response grants should be a Foundation priority.
- Professional and knowledgeable staff members are important nonfinancial assets. NYSHealth's ability to act quickly depends in part on having informed staff who can anticipate needs, identify crucial topics, and establish collaborative relationships.
- It is possible to collaborate with the State in a way that does not substitute for work the State should be doing using its own funds. Collaborating with the State and stakeholders yields projects of appropriate scope and interest to all parties and can complement the State's efforts. Ongoing attention should be paid to maintaining this careful balance.
- The Foundation needs to walk the fine line between funding grantees that have knowledgeable staff and those that have already determined policy positions.
- The Foundation's role as an expert and balanced convener of stakeholders advances the Foundation's reputation and visibility. NYSHealth should pay special attention to the balance and mix of convened stakeholders.
- Stakeholders are less aware of current Foundation health reform projects than they are of completed projects. It may help NYSHealth's reputation to disseminate information more widely about its current health reform projects.

The Future: Getting to 2014 and Beyond

As the State prepares to launch a fully operational Exchange by January 2014, NYSHealth is shifting its efforts away from technical implementation analyses and toward a focus on work related to consumer engagement, outreach, and education. While the ACA provides numerous benefits for individuals and small businesses, turning this potential into reality will not be easy. Most consumers and small employers are uninformed and unprepared to take advantage of these benefits. NYSHealth is focusing more specifically on this issue and is supporting a range of efforts to reach and educate consumers about their insurance options and how to enroll in coverage.

A recent project is scaling up the Small Business Assistance Program, a first-in-the-nation infrastructure to educate small businesses about the ACA and assist them in maintaining and gaining health insurance.⁹ Under this project, small business-serving entities across the State are receiving training and ongoing support to reach small firms and assist with enrollment into coverage; handle rate increase issues; appeal denials of coverage or benefits for owners and employees; and help with accessing tax credits or approaching an accountant about how to access tax credits.

Additional projects under development include ways to extend and improve the Navigator program; focus outreach efforts on specific population groups that may be overlooked; and use data and human stories to generate earned media, educate the public, and generate enthusiasm for health reform.

⁹ See <http://nyshealthfoundation.org/our-grantees/grantee-profile/community-service-society-of-new-york4>.

Appendix

STAKEHOLDERS INTERVIEWED

Judith Arnold

Deputy Commissioner for Planning
New York State Department of Health

Donna Frescatore

Executive Director, New York Health Benefit Exchange
Assistant Secretary, New York State Department of Health

Heather Howard

Director
State Health Reform Assistance Network

Danielle Holahan

Deputy Director
New York Health Benefit Exchange

Harold Iselin

Albany Managing Shareholder, Greenberg Traurig
Counsel, New York Health Plan Association

Lara Kassel

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Troy Oechsner

Deputy Superintendent for Health
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