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GOVERNOR PATERSON SIGNS LEGISLATION TO MAKE HEALTH INSURANCE MORE AFFORDABLE AND IMPROVE ACCESS TO HEALTH CARE

Package Includes Proposals to Extend the Availability of COBRA Coverage for New Yorkers Who Lose Their Jobs and to Insure Dependents Up to Age 29

Other Proposals Will Make Insurance and Needed Health Services More Accessible

Governor David A. Paterson signed into law three Governor's Program bills that will make health insurance more affordable and improve access to health care for New Yorkers. The first extends the period of time for COBRA coverage from 18 to 36 months; the second permits families to cover their young adult dependents through age 29 under their job-based insurance; and the third enacts a series of managed care reforms to make health insurance work better for consumers and permit timely access to necessary health services. The Governor signed the legislation at the University of Rochester Medical Center and was joined by members of the Senate, Assembly and community.

"By enhancing access to group health insurance, these reforms will make health insurance more affordable for everyday New Yorkers. More than 2.5 million of our residents do not have health insurance, partly because of the high cost of coverage," said Governor Paterson. "We must take the necessary steps to improve our broken health care system. By making insurance coverage more accessible, we bring people into the system before they need emergency treatment, reducing the overall cost of health care to the State."

Senator Neil D. Breslin, Chair of the New York State Senate Insurance Committee, said: "I was thrilled to be a part of advancing the Governor's package of health insurance legislation. This legislation, which will provide New Yorkers with greater access to preventative care and more affordable insurance, is vitally needed in this economic climate. It is also a significant step toward reforming our health insurance system. I commend Governor Paterson for signing these very important bills and I look forward to building on these efforts during the next legislative session."

Assemblyman Joseph D. Morelle, Chair of the Assembly Insurance Committee, said: "I am gratified to have been the sponsor of these key reforms, on behalf of patients and providers alike. Our best avenue to universal coverage is the expansion of existing programs, matched with a determination to remove the unnecessary and costly bureaucratic obstacles that impede the delivery of services and burden our working families and employers. Today is a milestone for health care in New York State, and I am grateful to the governor for his support."

Assemblywoman Crystal Peoples-Stokes said: "At a time where medical costs are constantly rising, availability and affordability of health insurance is paramount. As prime sponsor of the COBRA bill, I would like to applaud Governor Paterson for answering the needs of New Yorkers. Access to primary care has been a major priority in my district's agenda and expanding the age to 29 for young adults will help them obtain and maintain much-needed healthcare coverage."

The bills signed into law will:

- **Expand COBRA for Employees to 36 Months:** This law will increase the period for employees who lose their jobs to continue their health insurance under COBRA from 18 to 36 months. Under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), workers who lose their jobs can continue purchasing group health insurance provided by their former employers' group health plans for limited periods of time under certain circumstances for themselves and their families. Federal COBRA generally applies to employers with 20 or more employees, while the State's "mini-COBRA" law requires that smaller employers – those who have fewer than 20 employees – offer the same continuation coverage. This allows employees to maintain health insurance at a lower cost than if they had to buy it independently on the open market. The Governor's new law will allow New

Yorkers who lose their jobs to extend their health insurance coverage for a longer period of time, which is particularly important in the current economy with its record high level of unemployment.

- **Insure Dependents through Age 29:** This law, outlined by the Governor in his State of the State address, requires insurers to allow unmarried children through age 29 – regardless of financial dependence – to be covered under a parent’s group health insurance policy. Young adults ages 19 to 29 represent 31 percent of uninsured New Yorkers. They often become ineligible for coverage under their parents’ policies at age 19 or upon high school or college graduation, find themselves in entry-level jobs that do not provide employer-based health insurance, and cannot afford to pay premiums for individual insurance policies – which are much more expensive than group policies. Under the new law, premiums will be paid for by families, not employers, and would cost less because coverage is under group policies rather than individual policies. The law also requires insurers to offer employers an option to purchase coverage that includes young adults as dependents in family policies through age 29.
- **Managed Care Reform:** This bill will implement reforms that help consumers receive the care they need and cut some of the red tape that results in inappropriately delayed or denied claims. Some of the protections that will benefit consumers under the proposal include:
 - Prohibiting insurers from treating an in-network provider as out-of-network simply because the referring provider was out-of-network;
 - Extending current protections for consumers in HMOs to consumers in “HMO look-alike” plans – health plans that operate the same as HMOs but are not licensed as HMOs, such as “exclusive provider organizations” or EPOs;
 - Reducing the prompt-pay timeframe from 45 days to 30 days for electronically submitted claims so doctors and hospitals are paid more quickly;
 - Reducing the time insurers have to review requests for post-hospital home health care;
 - Extending providers a right to request an external appeal of a concurrent denial;
 - Extending protections to doctors and hospitals when health insurers seek to recover alleged overpayments. The protections include basic notice and an opportunity to challenge the insurers’ overpayment recovery efforts.
 - Limiting health insurers’ and HMOs’ ability to deny or delay payment of claims by sending a coordination of benefits questionnaire;
 - Permitting participating health care providers to request reconsideration of a claim that is denied as untimely and limiting penalties for untimely claims;
 - Requiring insurers and HMOs to give participating providers notice of adverse reimbursement changes to provider contracts and giving providers an opportunity to cancel the contract;
 - Requiring insurers and HMOs who fail to meet a loss-ratio requirement to make efforts to locate and pay dividends or credits to former policy holders;
 - Permitting newly licensed providers and providers moving to New York to be provisionally credentialed until the final determination is made; and
 - Establishing a new external appeal standard for rare disease treatments.

The bills signed into law today build upon other initiatives aimed at increasing the availability and affordability of health insurance. In March, Governor Paterson signed into law his Program Bill to help New Yorkers who lost their jobs at small businesses take advantage of a COBRA subsidy made available under the federal American Recovery and Reinvestment Act (ARRA). In addition, the 2009-10 budget eliminated certain barriers to enrolling in public health insurance coverage such as face-to-face interviews, finger imaging, and asset tests, and authorized the Department of Health to seek federal support for expanded coverage for low-income adults. Moreover, as of September 1, 2008, all of New York’s uninsured children became eligible for moderate or no-cost health care coverage under Child Health Plus.

The following statements were given in support of the legislation:

Acting Insurance Superintendent Kermit J. Brooks said: “The Governor’s legislative package includes substantial reforms that will have a real impact on New Yorkers, allowing those who currently cannot afford health insurance to obtain coverage. In addition, these proposals help make insurance work better for consumers, providers, health plans and employers.”

State Health Commissioner Richard F. Daines, M.D., said: “I commend Governor Paterson for his commitment to expanding health care coverage, giving more New Yorkers access to consistent primary and preventive care which will help prevent chronic disease and avoidable hospitalizations. The Governor’s

managed care reforms will streamline the administrative process so that health insurance claims are processed more efficiently, ensuring that New York families get the care they need when they need it."

Senator Thomas K. Duane, Chair of the Senate Committee on Health, said: "New York State continues to take the lead in overseeing the private health insurance market to make sure it works effectively in linking people to needed health care. Increasing access to care is not only the right thing to do, it is an important step to reducing the social and financial costs incurred by uninsured and underinsured New Yorkers."

Assemblyman Richard N. Gottfried, Chair of the Assembly Health Committee, said: "This continues Governor Paterson's work with the Legislature to make health coverage better and more affordable in New York. Whatever happens in Washington, we're going to need to keep doing this in New York."

Home Care Association of New York State Board Chair Victoria Hines, President and CEO of Visiting Nurse