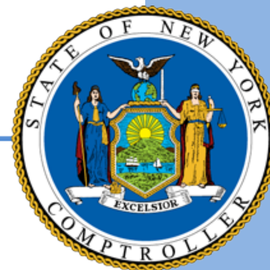
7 Million and Counting

More New Yorkers Benefit from State Health Coverage

OFFICE OF THE NEW YORK STATE COMPTROLLER

Thomas P. DiNapoli, State Comptroller



September 2018

Message from the Comptroller

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New York State has a proud history of working to make health insurance coverage as widely available as possible, to promote public health and improve New Yorkers' quality of life.

For example, the State was among the first to implement Medicaid after its creation by Congress in 1965. New York enacted its Child Health Plus (CHP) program in 1990, seven years before the federal government established a similar initiative nationwide. Since the enactment of the Affordable Care Act (ACA) in 2010, New York has been a leader in capitalizing on new federal resources to extend coverage to more individuals and families.

In January 2018, more than 7 million residents benefitted from coverage through Medicaid, CHP, programs established under the ACA and other State initiatives. That's more than one in every three residents of the State. Although Medicare is beyond the scope of this report, including its enrollees brings the total number of New Yorkers covered by publicly funded health insurance to half the State's population.

Statewide Medicaid enrollment through the Department of Health jumped by nearly 2 million, or 46 percent, over the past decade, with increases in every county. Enrollment among non-disabled adults and children, in particular, rose sharply. In the three largest suburban counties around New York City, enrollment more than doubled in Nassau and Suffolk, and rose by 96 percent in Westchester. While federal funding played a major role in these trends, State spending on Medicaid also rose by nearly $10 billion over the period.

Here's another important measure of health coverage: The proportion of New Yorkers without health insurance dropped by more than half over the decade, falling to 4.9 percent in 2017. That means better access to health care and significant health benefits for many thousands of individuals.

New Yorkers continue to debate the next steps in efforts to ensure that quality health care is available to all. Yet in Washington, we still hear disturbing calls for repealing the ACA and for radical changes to Medicaid. Such steps could reverse much of the progress New York has made to expand coverage and reduce the ranks of the uninsured. It's important that these discussions about the future of our health care system be grounded in a clear recognition of the facts. I hope this report contributes to an improved understanding of the challenges and the stakes involved among policy makers and the general public.

Thomas P. DiNapoli
State Comptroller

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I. Executive Summary

Medicaid and other public health insurance programs funded through the New York State budget covered over 7 million New Yorkers, or more than one in every three State residents, in January 2018. The number of people covered has risen by 57 percent over the past decade, largely due to enactment of the federal Affordable Care Act (ACA) and other changes in federal and State health care policies.

Billions of dollars in additional federal, State and local funding have supported the expansion of publicly funded health coverage in New York. Medicaid, CHP, the Essential Plan, and subsidized coverage through the State's health insurance marketplace, New York State of Health (NYSOH), cost a total of more than $75 billion in State Fiscal Year (SFY) 2017-18.

Largely as a result of such expansion, the share of New Yorkers lacking health coverage fell by more than half, from 10.9 percent in 2008 to 4.9 percent in 2017, according to the federal Centers for Disease Control and Prevention. Broader availability of health care coverage has been shown to increase patients' access to care and produce significant health benefits, while also enhancing individual financial security.

However, risks to federal funding pose concerns regarding the sustainability of the dramatic gains in health coverage for New Yorkers. President Trump and some Congressional leaders continue to call for changes that would reduce federal health care funding for New York by billions of dollars in coming years.

Federal funding paid for 54 percent of New York State Medicaid costs in SFY 2017-18 and represented the lion's share of growth in spending on those costs during the previous decade. Federal resources support even higher percentages of the spending for the other three major publicly funded health care programs mentioned above.

Medicaid – the oldest and largest of the State health coverage programs, established in New York in 1966 – covered a monthly average of nearly 6.2 million individuals in SFY 2017-18. A total of more than 7 million New Yorkers were covered by the program for all or part of the year.

Medicaid enrollment in the State historically has been concentrated disproportionately in New York City, where enrollment rose 28.6 percent over the past decade. However, growth across the rest of the State over the same period was almost triple the increase in the City, on a percentage basis. The two largest suburban counties – Nassau and Suffolk – were among six counties statewide that saw Medicaid enrollment more than double.

The newest publicly funded health insurance option in New York is the Essential Plan, available since April 2015 to lower income residents under age 65 who are not eligible for Medicaid, CHP or affordable employer-sponsored coverage. Created as a result of the ACA and funded primarily with federal resources, its enrollment in New York totaled nearly 730,000 in SFY 2017-18. During this time, the State paid less than a tenth of total program expenditures of $4.0 billion, with federal funding providing the remainder.

Child Health Plus (CHP) has provided low- or no-cost health insurance coverage for hundreds of thousands of New York children since it was enacted as an entirely State-funded program in 1990. New York has received federal matching funds to cover uninsured children of families with incomes above Medicaid eligibility levels since 1997, when Congress created the State Children's Health Insurance Program (SCHIP). In SFY 2017-18, CHP covered over 350,000 children. Due to enhanced federal reimbursement under the ACA, the State paid about one-seventh of the total expenditures of $2.0 billion.

In addition, 149,438 lower income New Yorkers were enrolled in qualified health plans (QHPs) through the NYSOH insurance marketplace as of January 2018. These individuals were eligible for ACA-authorized tax credits and subsidies that reduced their out-of-pocket costs and deductibles. Another 104,000 adults who did not meet the income eligibility threshold were enrolled in QHPs at full cost through NYSOH.

Taken together, these programs illustrate the impact of the ACA and other federal and State actions on the availability of public health insurance in New York, as well as the changing nature of health insurance coverage in the State. Several other more limited programs add to the picture of publicly supported health care in New York.

The more than 7 million individuals covered by Medicaid and other State programs represent over 36 percent of New York's population, 19.8 million as of July 2017. That proportion rises to 42 percent after excluding some 2.6 million Medicare beneficiaries who were not enrolled in Medicaid. This report does not examine Medicare, a federal program which primarily serves those aged 65 and over. If those 2.6 million New Yorkers are added to the numbers covered by New York State programs, the proportion of State residents receiving publicly funded coverage rises to half of the total.

Continuing debates in Washington, D.C. over major spending reductions and policy changes for health care have created uncertainty about the future of the ACA and the health insurance programs it supports, including Medicaid. At the same time, health care costs generally are continuing to increase for both publicly and privately funded coverage options. New York continues to pursue delivery system reforms that State health officials believe are key to making Medicaid more efficient and financially sustainable. The outcome of such efforts will do much to determine not only the level of health insurance costs for taxpayers and employers, but the quality of New York's health care system as well.

II. Medicaid Trends in New York

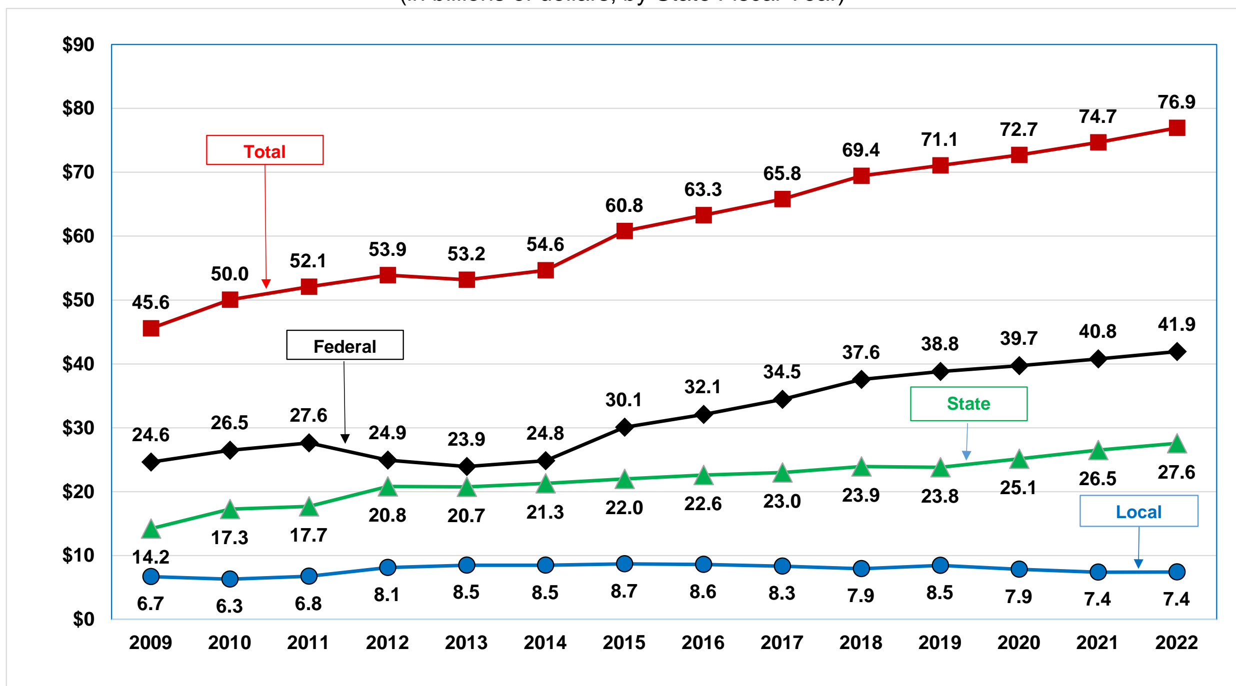
Spending

Spending for New York's Medicaid program totaled $69.4 billion in State Fiscal Year (SFY) 2017-18, an increase of $23.9 billion or 52.4 percent since SFY 2008-09. Spending per Medicaid enrollee rose by 4.1 percent over the 10-year period. While the federal government paid the largest share of the total cost, expenditures by the State and its local governments were substantial, as shown in Figure 1.[1] Starting in January 2015, the State assumed all growth in Medicaid costs for counties and New York City.

Figure 1

Medicaid Spending in New York State: Federal, State and Local

(in billions of dollars, by State Fiscal Year)



Source: Division of the Budget (DOB)
Note: Projected State amounts for SFYs 2018-19 through 2021-22 include estimated annual payments of $435 million, $327 million, $371 million and $371 million, respectively, from tobacco manufacturers under the Master Settlement Agreement that are anticipated to be used to help defray costs of the State's takeover of Medicaid costs for counties and New York City. Such payments are excluded from State-supported Medicaid spending accounted for in annual State Operating Funds amounts. The years displayed in this figure represent the last year within the State Fiscal Year. For example, 2009 represents State Fiscal Year 2008-09.

Adjusted for medical inflation, Medicaid spending in New York rose 19.3 percent over the decade. Over the same period, average monthly Medicaid enrollment in New York rose by 1.9 million or 46.3 percent, reaching nearly 6.2 million in SFY 2017-18.[2] (Counts of individuals who were eligible for Medicaid during all or part of a given year are higher; for example, the number

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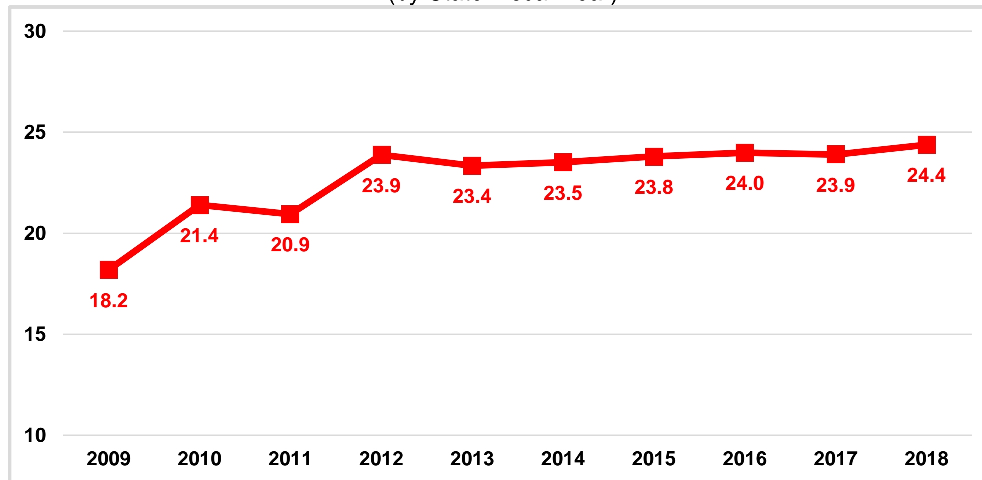
[1] Figures and information on spending and spending shares for programs presented in this report include only governmental expenditures, unless otherwise specified.
[2] Unless otherwise indicated, Medicaid enrollment figures in this report are based on Department of Health (DOH) annual averages of monthly enrollment.

of New Yorkers eligible during all or part of 2017-18 was 7.3 million.) In medical inflation-adjusted dollars, spending per Medicaid enrollee in New York decreased by 18.5 percent, from $13,841 in SFY 2008-09 to $11,285 in SFY 2017-18. Some of this decline resulted from the addition of large numbers of non-disabled adults and children, for whom Medicaid costs are lower than for certain other enrollment categories.

As a percentage of State Operating Funds, State spending on the Medicaid program has been relatively constant since SFY 2011-12, as shown in Figure 2.

Figure 2

State Funds Medicaid Spending as a Percentage of State Operating Funds
(by State Fiscal Year)



Source: Division of the Budget Financial Plan documents
Note: The years displayed in this figure represent the last year within the State Fiscal Year. For example, 2009 represents State Fiscal Year 2008-09.

State funds Medicaid spending as a percentage of State Operating Funds spiked in SFY 2011-12, following the phase-down of additional federal Medicaid funding associated with the American Recovery and Reinvestment Act (ARRA) of 2009. Federal ARRA legislation was intended, in part, to help states cope with higher Medicaid enrollment resulting from the Great Recession. From SFY 2008-09 through SFY 2017-18, the State has received a total of nearly $14.5 billion in additional Medicaid funding associated with federal ARRA legislation.

ACA Impact

As enacted, the ACA expanded Medicaid coverage to nearly all low income individuals under the age of 65 with incomes up to 138 percent of the federal poverty level (FPL), including adults without disabilities or dependent children, starting in January 2014. The costs of covering newly eligible individuals, as well as childless adults that states such as New York covered before ACA enactment in 2010, are largely borne by the federal government.

The ACA provides for the federal government to pay 100 percent of the Medicaid expansion costs for newly eligible enrollees in calendar years 2014, 2015 and 2016, 95 percent in 2017, 94 percent in 2018, 93 percent in 2019, and 90 percent in 2020 and subsequent years. For early-expansion states such as New York, the law also provides enhanced federal funding for

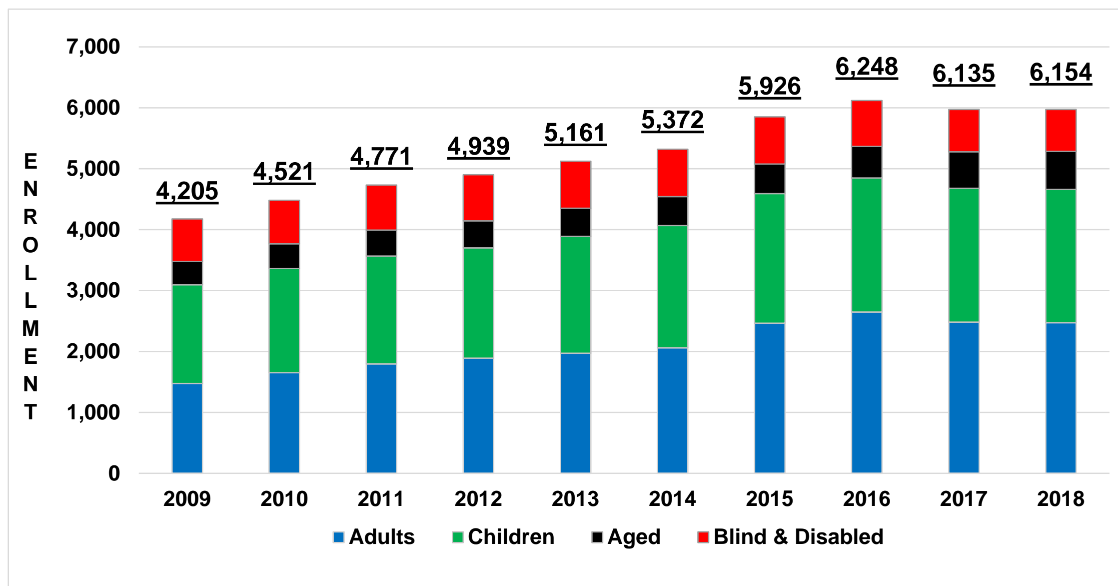
certain individuals covered before the ACA's enactment as follows: 75 percent in 2014, 80 percent in 2015, 85 percent in 2016, 86 percent in 2017, 89.6 percent in 2018, 93 percent in 2019 and 90 percent in 2020 and subsequent years. New York's federal Medicaid reimbursement rate for these individuals was 50 percent before the ACA.

Medicaid Enrollment

Medicaid enrollment of people whose eligibility was determined by the State Department of Health (DOH) peaked in SFY 2015-16, when the program covered more than 6.2 million New Yorkers.[3] As shown in Figure 3, that amount exceeded 2008-09 enrollment by more than 48 percent. Enrollment dipped by 1.8 percent in SFY 2016-17, the first decline since 2007-08, before rising modestly the following year.

Figure 3

DOH Medicaid Enrollment
(in thousands of enrollees, by State Fiscal Year)



Source: NYS Department of Health
Note: Figures for "other" Medicaid enrollees – made up primarily of persons who are not born in this country and who are not naturalized citizens– are not shown separately in the chart, but are included in enrollment totals shown at the top of each column. These enrollees represent less than 3 percent of total enrollment in each year shown. The years displayed in this figure represent the last year within the State Fiscal Year. For example, 2009 represents State Fiscal Year 2008-09.

Over the ten years ending in SFY 2017-18, the number of adults aged 18 through 64 served by Medicaid rose by nearly 1 million, peaking in SFY 2015-16. Enrollment among the oldest New Yorkers increased by more than half and is the only category to increase every year over that period. Enrollment among children rose by more than one-third from SFY 2008-09 through SFY 2017-18, peaking in SFY 2015-16 as well. Appendix A shows DOH Medicaid enrollment by eligibility category for each of the ten years through SFY 2017-18.

[3] DOH Medicaid enrollment data exclude individuals whose Medicaid eligibility was determined by the State Office of Mental Health (OMH) or the State Office for People With Developmental Disabilities (OPWDD). As of January 2018, this figure was 12,444 individuals, according to DOH.

As shown in Figure 4, the number of DOH Medicaid enrollees in New York City has grown by 28.6 percent over the last decade, but increases outside the City were even larger. As a result, New York City enrollment as a share of the State's overall Medicaid population decreased from 65.5 percent in SFY 2008-09 to 57.6 percent in SFY 2017-18.

Figure 4

DOH Medicaid Enrollment by Region

	SFY 2008-09	SFY 2017-18	Change	Percentage Change
New York City	2,755,298	3,542,914	787,616	28.6%
Nassau, Suffolk and Westchester	339,958	769,517	429,559	126.4%
Rest of State	1,109,752	1,841,596	731,844	65.9%
Statewide	4,205,008	6,154,027	1,949,019	46.3%

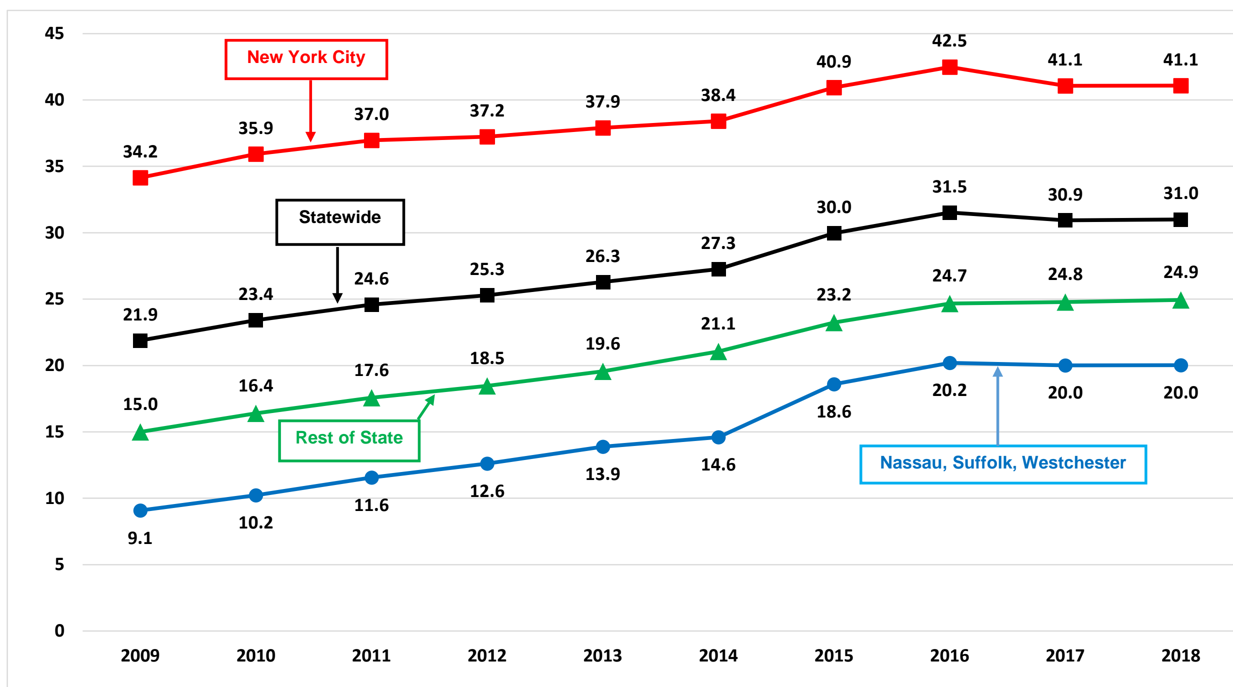
Source: NYS Department of Health

In Nassau, Suffolk and Westchester counties – the State's three most populous counties outside of New York City – Medicaid enrollment rose at more than four times the rate in the City; enrollment growth in the rest of the State was more than double the rate in New York City. Appendix B shows the change in DOH Medicaid enrollment by county from SFY 2008-09 to SFY 2017-18.

Figure 5

DOH Medicaid Enrollees per 100 Population

(by State Fiscal Year)



Sources: NYS Department of Health for enrollment data; U.S. Census Bureau for population data
Note: The years displayed in this figure represent the last year within the State Fiscal Year. For example, 2009 represents State Fiscal Year 2008-09.

Growth in the number of New Yorkers enrolled in Medicaid per 100 population (or the Medicaid penetration rate) underscores these trends. As illustrated in Figure 5, the Medicaid penetration rate in New York City increased by 6.9 percentage points over the last ten years. In Nassau,

Suffolk and Westchester counties, and in the rest of the State, increases in penetration rates were noticeably higher. Still, the proportion of residents enrolled in the program remains higher in New York City than in all other areas of the State. Appendix C shows Medicaid penetration rates, by county and New York City, from SFY 2008-09 through SFY 2017-18.

Medicaid enrollment is projected to exceed 6.3 million individuals in SFY 2021-22, a modest increase over the 6.2 million from SFY 2017-18, according to DOB.

III. Other Health Care Programs

While Medicaid remains far and away the largest health-care program funded through the State budget, well over 1 million additional New Yorkers receive comprehensive health coverage through three other programs – the Essential Plan, Child Health Plus, and Qualified Health Plans under the ACA. In addition, several other State-supported programs provide more limited services, as summarized in this section.

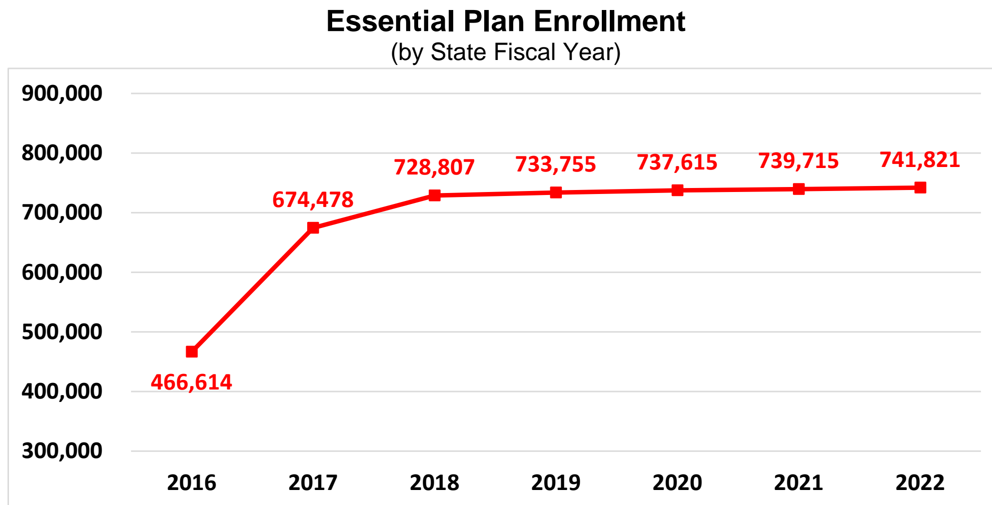
Essential Plan

In 2015, New York joined Minnesota as one of only two states in the nation to establish a Basic Health Program (known in New York as the Essential Plan), a low-cost health insurance option authorized by the ACA and largely funded by the federal government. The Essential Plan is available to New Yorkers under age 65 who meet certain income requirements and are not eligible for Medicaid, CHP or affordable employer-sponsored coverage.

Over its first three years of operation, through SFY 2017-18, enrollment in the Essential Plan rose to nearly 729,000 individuals. It is projected by DOB to grow more modestly in the current and coming years, as shown in Figure 6.

Figure 6

Essential Plan Enrollment
(by State Fiscal Year)

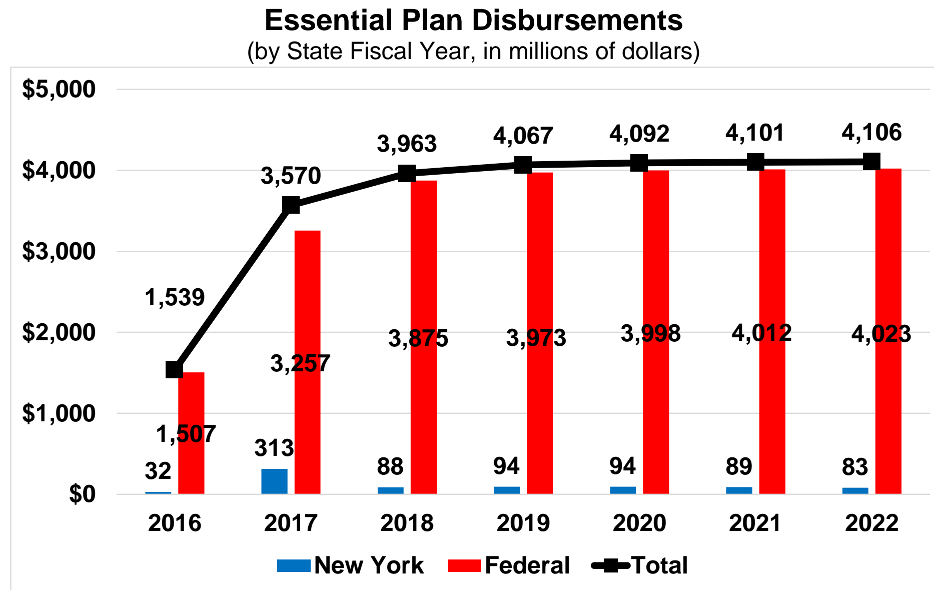


Source: Division of the Budget
Note: Figures for SFY 2015-16, SFY 2016-17 and SFY 2017-18 are actual results; all other figures are DOB projections. The years displayed in this figure represent the last year within the State Fiscal Year. For example, 2016 represents State Fiscal Year 2015-16.

While the Essential Plan was expected from its inception to be primarily federally funded, the State's share of the cost has been significantly smaller than originally projected. In October 2016, DOB projected the State share for SFY 2017-18, for example, at $649 million or 24 percent of that year's total. Actual State costs during the year were $88 million, or 2 percent of the total, according to the FY 2019 Enacted Budget Financial Plan. The lower State costs in SFY 2017-18 partly reflected increases in health care premiums, which in turn drove federal subsidies higher.

New York has paid $433 million, or 4.8 percent, of nearly $9.1 billion in total program costs through SFY 2017-18, as shown in Figure 7. The State's share of total program costs is projected at 2.3 percent this year, and 2 percent each of the following three years with most of the total borne by the federal government.

Figure 7



Source: Division of the Budget
Note: Figures for SFY 2015-16, SFY 2016-17 and SFY 2017-18 are actual amounts; all other figures are DOB projections. The years displayed in this figure represent the last year within the State Fiscal Year. For example, 2016 represents State Fiscal Year 2015-16.

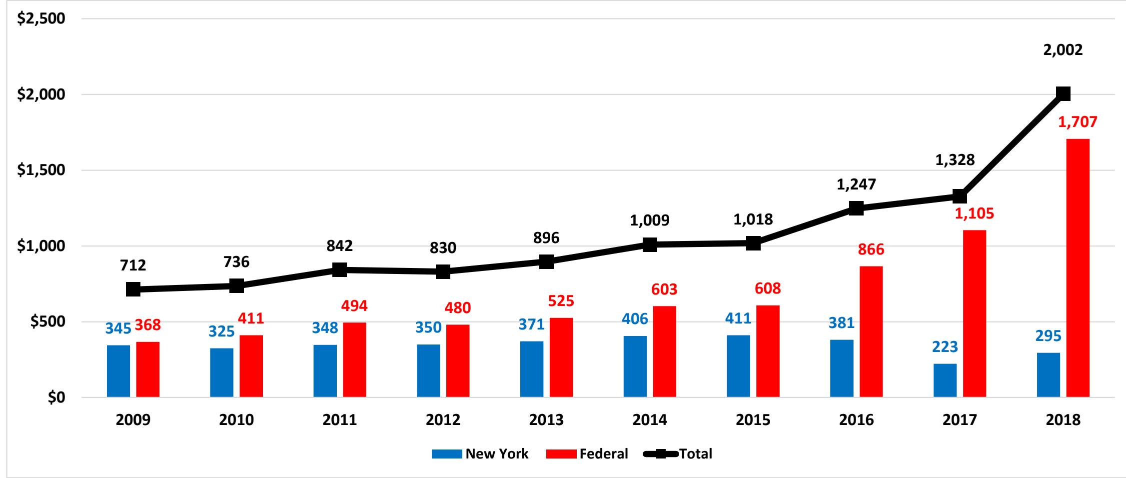
New York City accounted for nearly two of every three enrollees in the Essential Plan statewide in January 2018, with 465,868 City residents enrolled.

Child Health Plus

The State's Child Health Plus (CHP) program, enacted in 1990 as the Child Health Insurance Plan, provides subsidized, comprehensive coverage for uninsured children under age 19 who are not eligible for Medicaid and live in homes with incomes up to 400 percent of the federal poverty level. The program initially provided limited benefits for children under age 13 and was funded using only State resources; however, in 1997, New York began receiving federal funding to support a portion of the program costs. Children of parents who were not born in this country and are not naturalized citizens who have established residency in New York continue to be covered with State-only dollars.

The ACA increased the federal match rate of 65 percent that New York receives for most CHP expenditures to 88 percent from October 2015 through September 2019. As a result, the federal share of spending on New York's CHP program has grown significantly in recent years, as shown in Figure 8. Although total spending on the program nearly doubled over the past five years, the State's costs fell by more than one-quarter.

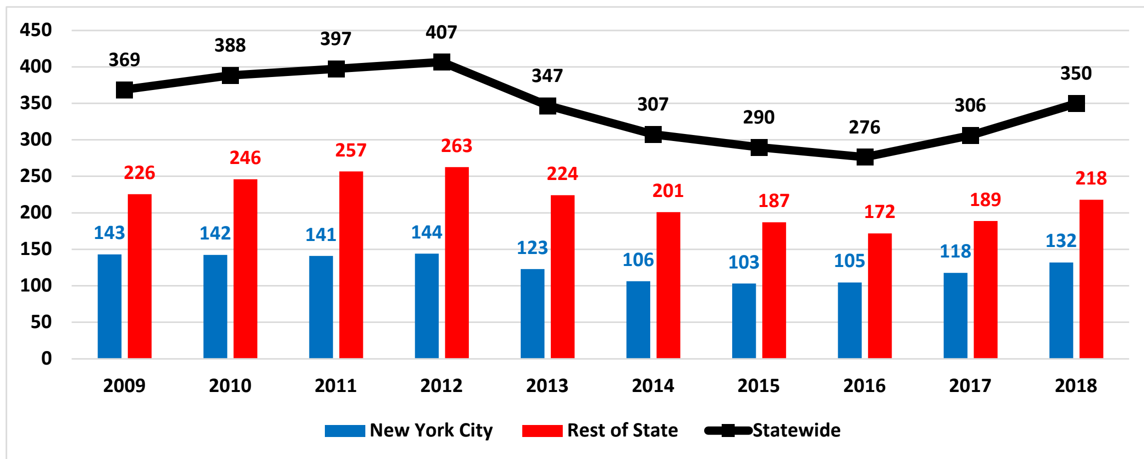
Figure 8



Source: Office of the State Comptroller
Note: The years displayed in this figure represent the last year within the State Fiscal Year. For example, 2009 represents State Fiscal Year 2008-09.

In contrast to nearly continuous annual increases in CHP spending, enrollment declined for four straight years after peaking in SFY 2011-12, as shown in Figure 9. Despite increases in the latest two years, enrollment remains below the recent peak of 407,000.

Figure 9



Source: NYS Department of Health
Note: Enrollment figures are annual averages. Numbers may not add due to rounding. The years displayed in this figure represent the last year within the State Fiscal Year. For example, 2009 represents State Fiscal Year 2008-09.

Much of the decline from SFY 2011-12 through SFY 2015-16 was due to the mandatory transfer of older CHP children and teenagers to Medicaid under a feature of the ACA that was designed

to facilitate alignment of coverage across families.[4] This transfer of coverage was intended to provide families and children with access to a better benefits package and greater cost-sharing protections.[5] Under this provision of the ACA, the federal government allows states, including New York, to continue to claim the higher CHP federal match rate for older children and teenagers transferred to Medicaid.[6]

In contrast to Medicaid and the Essential Plan, CHP enrollment is not heavily concentrated in New York City. As of SFY 2017-18, 38 percent of statewide CHP enrollees were residents of the City. Most counties experienced reductions in CHP enrollment over the ten year period ending in SFY 2017-18. As described above, such declines occurred in the context of expanded Medicaid coverage for children. CHP enrollment is projected to exceed 422,000 individuals in SFY 2021-22, according to DOB.

Qualified Health Plans

The ACA established qualified health plans (QHPs), defined as health insurance certified by a state or the federal health exchange as providing all mandatory health benefits and meeting other ACA requirements. Under these plans, federal tax credits and cost-sharing reduction (CSR) payments to insurers have helped eligible individuals pay for QHP coverage. The 2018 Open Enrollment Report issued by New York's official health plan exchange, NY State of Health, indicates that 149,438 New Yorkers were expected to benefit from federal tax credits totaling more than $531 million, as well as lower cost-sharing, during 2018. According to the Open Enrollment Report, despite the federal government's decision to stop making CSR payments to insurers in October 2017, the ACA requires insurers to offer lower out-of-pocket costs to eligible consumers.

Since October 2013, individual New Yorkers not eligible for Medicaid, CHP or (since 2016) the Essential Plan have been able to enroll in QHPs. As shown in Figure 10, enrollment in QHPs peaked in 2015. While it has declined since, largely because many enrollees moved to the Essential Plan, QHPs remain a source of coverage for many New Yorkers. The 2018 figure includes approximately 104,000 adults who enrolled in plans without financial assistance through the State's health insurance marketplace. The State pays no direct costs for enrollees in QHPs.

Figure 10

Enrollment in Qualified Health Plans

	2014	2015	2016	2017	2018
Statewide	370,604	415,352	271,964	242,880	253,102
New York City	165,316	180,397	114,839	99,996	102,759
Rest of State	205,288	234,955	157,125	142,884	150,343

Sources: NY State of Health Open Enrollment Reports issued in June 2014, July 2015, August 2016, May 2017 and May 2018. These reports provide a snapshot of QHP enrollment at the close of each year's open enrollment period.

[4] See Kaiser Commission on Medicaid and the Uninsured, "Aligning Eligibility for Children: Moving the Stairstep Kids to Medicaid" (August 2013), available at https://kaiserfamilyfoundation.files.wordpress.com/2013/08/8470-aligning-eligibility-for-children.pdf.

[5] Ibid.

[6] See the Federal Register, Vol. 77, No. 57 (March 23, 2012) Rules and Regulations at page 17149, available at https://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6560.pdf.

Figure 10 shows that, unlike Medicaid or the Essential Plan, areas outside of New York City have accounted for the majority of QHP enrollees. In 2014 and 2015, nearly three-quarters of QHP enrollees received federal financial assistance to purchase coverage. That figure fell to 54 percent in 2016, because many new and returning enrollees were eligible for Essential Plan coverage instead of QHPs.[7] In 2018, 59 percent of QHP enrollees received federal financial assistance, according to NYSOH.

Targeted Programs

The following programs provide certain health-related services to New Yorkers who meet certain criteria related to age, disability and other characteristics.

Elderly Pharmaceutical Insurance Coverage (EPIC): The EPIC program began in October 1987 and currently provides prescription drug coverage to more than 320,000 income-eligible New Yorkers aged 65 or older, according to DOH, which administers it. With implementation of federal Medicare Part D drug coverage in 2006, DOH transitioned EPIC from providing primary prescription coverage to providing secondary or supplemental coverage to Part D. New Yorkers are eligible for EPIC if they are: 65 or older with an annual income at or below $75,000 if single or $100,000 if married; enrolled or eligible to enroll in a Medicare Part D plan; and not receiving full Medicaid benefits. In SFY 2017-18, the State spent $136.5 million on the EPIC program, which is fully State-funded.

Early Intervention Program: New York's Early Intervention Program provides therapeutic and supportive services for eligible children, from birth through two years of age, with developmental delays and disabilities and their families, according to DOH, which administers the program. The program, which began in 1993, provides services to approximately 65,000 eligible children and their families annually, with costs paid by the State, counties and the City of New York. In SFY 2017-18, the State spent $431.9 million on the Early Intervention Program, including $256.9 million in Medicaid payments.

Healthy NY program: The Healthy NY program began in 2001 and currently offers health insurance to small businesses with 1 to 50 full-time employees, at least 30 percent of whom earn $43,000 or less in annual wages. Eligible small businesses must not have provided group health insurance coverage to their employees within the last 12 months. In SFY 2017-18, the State spent $25.9 million on Healthy NY and provided coverage for approximately 22,400 individuals in an average month. In SFY 2012-13, before implementation of the ACA's health insurance coverage programs in January 2014, Healthy NY spending totaled $163.6 million. This program is fully State-funded.

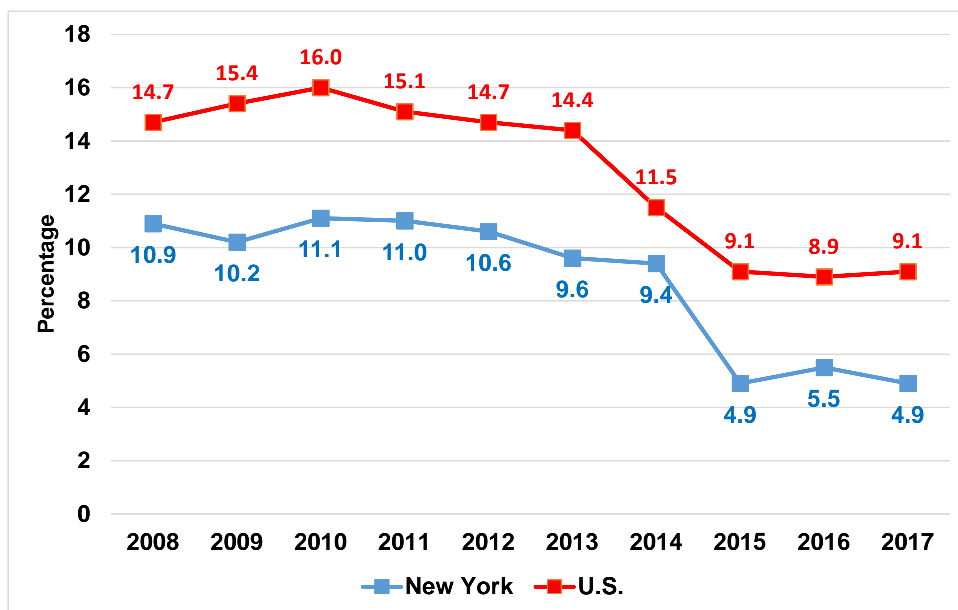
[7] See NYSOH 2016 Open Enrollment Report, issued in August 2016 and available at https://info.nystateofhealth.ny.gov/sites/default/files/NYSOH%202016%20Open%20Enrollment%20Report%282%29.pdf.

IV. Health Insurance Coverage in New York

Broader coverage options created by the ACA, and other changes in federal and State health care policies, have helped reduce the percentage of people lacking health insurance in New York by more than half over the past decade. Estimates reported by the National Center for Health Statistics (NCHS, part of the federal Centers for Disease Control and Prevention) found that the percentage of New Yorkers without health insurance fell from 10.9 percent in 2008 to 4.9 percent in 2017, as shown in Figure 11.[8] This Figure also shows that the percentage of New Yorkers without health insurance has been consistently and significantly lower than the nation over the last decade. In 2017 and 2015, New York's uninsured rate was lower than that of the nation by almost 50 percent, reflecting the largest difference over the ten year period.

Figure 11

Percentage of Persons Lacking Health Insurance Coverage, New York and the U.S.
(by calendar year)



Source: CDC National Center for Health Statistics Early Release Reports on Detailed Estimates of Health Insurance Coverage
Note: Percentages reflect those persons who lacked health insurance coverage at the time of interview.

Several other federal surveys provide data on the uninsured population; these also show the percentage of New Yorkers who are uninsured declining in recent years.[9]
Extensive research indicates that broader availability of health care coverage increases patients' access to care and results in significant health benefits. "The effects of coverage are

[8] See Robin A. Cohen, Ph.D. et al., *Health Insurance Coverage*, 2008, available at https://www.cdc.gov/nchs/data/nhis/earlyrelease/insur200906.pdf and Robin A. Cohen, Ph.D. et al. *Health Insurance Coverage*, 2017, available at https://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201805.pdf. Percentages referenced in the text reflect those persons who lacked health insurance coverage at the time of interview.
[9] For a discussion of various state-level measures of the uninsured population, see State Health Access Data Assistance Center reports, "*Comparing Federal Government Surveys That Count The Uninsured*" for the years 2013 through 2017, available at http://www.shadac.org/our-focus-areas/federal-survey-resources-and-technical-assistance.

particularly important for people with chronic conditions, a vulnerable high-cost population," one research review concluded. In addition, research indicates that health coverage enhances financial security by, for example, reducing medical bills sent to collection and catastrophic medical spending.[10]

Expanded Medicaid coverage resulting from the ACA "was associated with increases in coverage, service use, quality of care, and Medicaid spending," another review of published studies concluded. "Overall, gaining access to care is generally associated with improvements in health, a reduction in spending to manage chronic disease, improved work productivity, and better quality of life."[11]

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[10] See *New England Journal of Medicine*, "Health Insurance Coverage and Health – What the Recent Evidence Tells Us," available at http://www.nejm.org/doi/pdf/10.1056/NEJMsb1706645.

[11] Olena Mazurenko et al., "The Effects of Medicaid Expansion Under the ACA: A Systematic Review," *Health Affairs*, June 2018, pp. 944 and 949.

V. Looking Ahead

Medicaid Reform and DSRIP

While much of the cost of expanded health coverage in New York in recent years has been borne by the federal government, State spending has also risen. Medicaid costs to the State are projected to continue to increase, as outlined earlier in this report. The State has set certain goals related to keeping overall costs affordable, both to ensure its continued ability to support broader coverage and to limit budgetary expenses. Certain steps intended to meet those goals are outlined in agreements with the federal government under which the State has received increased funding in recent years.

In April 2014, the federal government agreed to provide $8 billion in additional funding for reforming the State's health care delivery system. That amount, to be paid over a number of years through March 2021, is considered the reinvestment of certain savings that State Medicaid reforms generate for the federal government. The agreement includes over $6.9 billion for the Delivery System Reform Incentive Payment (DSRIP) program, as well as $986.2 million for various Medicaid managed care initiatives and $95.3 million for Medicaid Health Homes.[12] The overall goals of the DSRIP program are to transform the State's health care system, improve health care quality and limit costs.

Specific goals of the DSRIP program include stabilizing the system of safety-net providers (including hospitals, clinics, nursing homes, physicians and pharmacies) that care for Medicaid beneficiaries, uninsured individuals and those who are eligible for both Medicaid and Medicare, and reducing avoidable hospital use by 25 percent by March 2020.[13] These providers and certain others that participate in DSRIP receive incentive payments that are awarded based on performance linked to the achievement of milestones on projects the State and federal government have identified for purposes of improving health care quality and limiting costs.

From April 2014 through March 2018, the State spent over $4.0 billion, or 50.7 percent, of the $8 billion the federal government agreed to reinvest in the New York health care system. This included $3.3 billion, or 48.4 percent, of the $6.9 billion in available federal DSRIP funding, 62.1 percent of the amount allocated for Managed Care Initiatives and 100 percent of the funding for Health Homes, as shown in Figure 12.

[12] The $986.2 million includes $715.0 million to support an expansion of community-based behavioral health services, as well as $271.2 million to retrain, recruit and retain long term care workers. Health Homes, an optional Medicaid benefit created by the ACA, coordinate care for Medicaid enrollees with chronic conditions such as mental illness, substance use disorders, asthma, diabetes and heart disease.

[13] See New York State DSRIP glossary, available at:
https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/dsrip_glossary.htm.

Figure 12

State Spending of Federal Medicaid Reform Funding
(in millions of dollars)

	SFY 2014-15	SFY 2015-16	SFY 2016-17	SFY 2017-18	Total
DSRIP Program	607.4	719.6	239.3	1,781.5	3,347.9
Managed Care Initiatives	0.0	0.0	305.5	306.8	612.3
Health Homes	37.1	37.8	20.3	0.0	95.3
Total	644.5	757.5	565.0	2,088.3	4,055.5

Source: Office of the State Comptroller

DSRIP expenditures through SFY 2017-18 have included over $2.7 billion in payments to networks of providers known as performing provider systems (PPSs) for achieving various program milestones. Through SFY 2016-17, most of those payments were made under "pay-for-reporting" arrangements, such as successfully reporting certain measures within a required timeframe. Such achievements include providing semi-annual reports on the number of Medicaid beneficiaries served through DSRIP projects, project status and challenges, and project governance, as well as reporting on the number of potentially avoidable emergency room visits and hospital readmissions among PPS beneficiaries.

Beginning in SFY 2017-18, a greater share of DSRIP funding is to be paid based on whether PPSs achieve measurable patient outcomes associated with each of their chosen projects. Chief among these outcomes are goals of reducing potentially preventable hospitalizations and preventable emergency department visits. Incentive payments are also tied to PPS improvement on measures related to access to care, care transitions, care integration and disease-focused outcomes.

Starting in SFY 2017-18, the total amount of federal funding available to New York for PPS incentive payments is also tied to achievement of statewide milestones that will be assessed on a pass-fail basis. These milestones include:

- Statewide performance on core delivery system improvement measures (e.g., reducing potentially avoidable services and expanding patient access to community-based care);
- Growth in statewide total Medicaid spending that is at or below the long-term medical component of the Consumer Price Index (CPI) in SFYs 2018-19 and 2019-20;
- Growth in statewide total inpatient and emergency room spending that is at or below the long-term medical component of the CPI minus 1 percentage point in SFY 2017-18 and minus 2 percentage points in SFYs 2018-19 and 2019-20; and
- Implementation of a plan to reimburse managed care plans and providers using payment approaches that move away from traditional fee-for-service payments to payment approaches focused on value rather than volume.

If New York fails to reach any of these milestones, federal DSRIP payments to providers will be reduced in an equal distribution across all DSRIP projects in amounts totaling $76.7 million in SFY 2017-18, $141.8 million in SFY 2018-19 and $185.0 million in SFY 2019-20.[14]

[14] See DSRIP Management Year 3 Performance Summary, Slide 3, available at https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/paop/meetings/docs/2018-06-19_presentation.pdf.

In June 2018, DOH reported receiving a passing grade on all four of the milestones in the first federal test of the DSRIP program.[15] According to DOH, the State must submit a statewide report card to the federal Centers for Medicare & Medicaid Services for each year remaining in the program, which ends in March 2020.

The ultimate outcomes of the State's Medicaid reforms, value-based payments and related initiatives will have important implications for New York's ability to support publicly funded health coverage for millions of individuals. Those outcomes will also affect efforts to keep health insurance costs affordable for employers and individuals who pay for coverage through the private market and to improve the overall quality of the State's health-care system.

Risks to Federal Health Care Funding

President Trump and some members of Congress have repeatedly called for major changes to the nation's health care system including repealing the Affordable Care Act and converting Medicaid from an entitlement program into block grants or per capita grants to states, among others. Such actions would reduce federal health care funding for New York by billions of dollars in coming years, threatening health coverage for many New Yorkers. Given the significant level of federal aid in the State budget for Medicaid and other health care programs, these proposals are also among the most notable budgetary risks for the State, with uncertain implications for New Yorkers who rely on a wide array of State-funded services as well as for taxpayers.

While these changes have not been enacted, such proposals continue to attract support from some leaders in Washington. In short, the risk of damaging reductions in federal health care funding remains very real.

Given the breadth of the federal and State governments' involvement in provision of health coverage to New Yorkers, other policy changes or factors may also affect federal funding going forward. For example, federal subsidies for the Essential Plan are, in part, driven by the level of premiums for certain types of coverage. Federal or state actions that affect those premium levels may, in turn, increase or decrease such subsidies.

[15] New York State Department of Health¸ "Medicaid Redesign Efforts to Transform Healthcare in New York State Reaches Milestone," June 1, 2018, at: https://www.health.ny.gov/press/releases/2018/2018-06-01_medicaid_redesign_efforts.htm.

VI. Conclusion

New York has benefitted tremendously from the additional federal health care funding associated with the ACA. As this report shows, such aid has been instrumental in dramatically increasing the numbers of New Yorkers with health insurance, whether they are enrolled in Medicaid, Child Health Plus, the Essential Plan or qualified health plans. Billions in additional federal funding from the Delivery System Reform Incentive Payment (DSRIP) program are anticipated over the next several years to help New York continue to transform its health care system, improve health care quality and limit costs.

But because of the State's success in implementing the ACA, New York is particularly vulnerable to any efforts to scale back federal funding in this area. The President and some Congressional leaders continue to propose actions that would decrease aid to New York by billions of dollars in coming years. Such proposals threaten to reverse important gains the State has made in providing health care coverage, and thus improve health outcomes, for many New Yorkers who might otherwise be left unable to afford coverage.

VII. Appendices

Appendix A: DOH Medicaid Enrollment by Eligibility Category

(in thousands of enrollees, by State Fiscal Year)

Eligibility Category	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Adults	1,476	1,651	1,796	1,890	1,972	2,061	2,464	2,648	2,482	2,471
Children	1,618	1,712	1,772	1,811	1,918	2,005	2,127	2,201	2,196	2,189
Aged	387	406	425	443	463	475	487	518	600	623
Blind and Disabled	694	715	738	756	770	780	773	751	693	688
Other	31	38	40	38	37	52	74	131	165	183
Total	4,205	4,521	4,771	4,939	5,161	5,372	5,926	6,248	6,135	6,154

Source: NYS Department of Health
Note: The category of “other” Medicaid enrollees is made up primarily of persons who are not born in this country and who are not naturalized citizens.

Appendix B: Change in Average Monthly DOH Medicaid Enrollment by County

County	SFY 2008-09	SFY 2017-18	Change	Percentage Change
Albany	38,452	64,995	26,543	69.0%
Allegany	8,500	12,003	3,503	41.2%
Broome	34,728	54,032	19,304	55.6%
Cattaraugus	14,091	21,483	7,392	52.5%
Cayuga	12,178	18,759	6,581	54.0%
Chautauqua	27,550	39,676	12,126	44.0%
Chemung	17,671	25,023	7,352	41.6%
Chenango	10,121	13,698	3,577	35.3%
Clinton	14,345	20,103	5,758	40.1%
Columbia	7,758	14,301	6,543	84.3%
Cortland	8,673	11,765	3,092	35.7%
Delaware	7,145	11,618	4,473	62.6%
Dutchess	24,722	54,029	29,308	118.6%
Erie	152,164	241,430	89,266	58.7%
Essex	5,458	8,291	2,833	51.9%
Franklin	8,692	13,380	4,687	53.9%
Fulton	12,026	16,434	4,408	36.7%
Genesee	8,062	12,392	4,330	53.7%
Greene	7,219	11,881	4,663	64.6%
Hamilton	518	889	372	71.8%
Herkimer	12,071	17,300	5,229	43.3%
Jefferson	17,736	27,550	9,815	55.3%
Lewis	4,437	6,803	2,366	53.3%
Livingston	7,425	12,405	4,980	67.1%
Madison	9,407	13,711	4,304	45.8%
Monroe	121,180	195,008	73,829	60.9%
Montgomery	10,495	16,092	5,597	53.3%
Nassau	101,360	250,103	148,743	146.7%
New York City	2,755,298	3,542,914	787,616	28.6%
Niagara	34,368	53,024	18,656	54.3%
Oneida	43,087	68,957	25,869	60.0%
Onondaga	68,687	119,188	50,501	73.5%
Ontario	11,590	20,727	9,137	78.8%
Orange	52,857	101,148	48,291	91.4%
Orleans	7,328	10,984	3,656	49.9%
Oswego	22,566	33,388	10,823	48.0%
Otsego	8,455	13,576	5,121	60.6%
Putnam	4,784	12,688	7,904	165.2%
Rensselaer	22,155	35,004	12,849	58.0%
Rockland	51,142	105,628	54,486	106.5%
St. Lawrence	20,420	29,067	8,647	42.3%
Saratoga	18,340	32,799	14,459	78.8%
Schenectady	21,503	43,180	21,678	100.8%
Schoharie	4,450	7,254	2,805	63.0%
Schuyler	3,023	4,749	1,726	57.1%
Seneca	4,383	7,802	3,419	78.0%
Steuben	16,572	25,751	9,179	55.4%
Suffolk	132,849	311,585	178,736	134.5%
Sullivan	13,617	25,615	11,998	88.1%
Tioga	7,475	11,302	3,827	51.2%
Tompkins	10,646	16,577	5,931	55.7%
Ulster	22,742	42,295	19,553	86.0%
Warren	8,140	15,064	6,924	85.1%
Washington	9,134	15,851	6,717	73.5%
Wayne	11,181	21,461	10,279	91.9%
Westchester	105,749	207,830	102,081	96.5%
Wyoming	4,551	7,995	3,444	75.7%
Yates	3,736	5,472	1,736	46.5%
New York State Total	**4,205,008**	**6,154,027**	**1,949,019**	**46.3%**

Source: NYS Department of Health.
Note: Data for the five counties of New York City – Bronx, Kings, New York, Queens and Richmond – have been combined into one New York City listing.

Appendix C: DOH Medicaid Enrollees per 100 Population by County

(by State Fiscal Year)

County	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Albany	12.7	13.9	14.6	15.6	16.7	17.2	19.8	20.9	21.0	21.0
Allegany	17.3	18.6	19.8	20.4	21.4	22.0	24.0	25.0	25.5	25.6
Broome	17.3	19.2	20.8	21.8	22.7	23.3	26.0	27.3	27.5	27.9
Cattaraugus	17.4	18.7	19.7	20.9	21.9	22.4	25.4	27.2	27.5	27.8
Cayuga	15.1	16.5	17.8	18.3	19.1	19.4	21.8	23.3	23.8	24.2
Chautauqua	20.4	22.2	23.6	24.7	25.8	26.2	29.2	30.4	30.4	30.7
Chemung	20.0	21.6	23.1	23.4	24.4	25.2	26.8	28.4	29.1	29.2
Chenango	19.7	21.8	23.3	24.0	24.2	24.1	26.1	28.0	28.3	28.6
Clinton	17.4	18.8	19.9	20.4	21.6	22.1	23.6	24.6	24.6	24.8
Columbia	12.3	13.7	14.9	16.5	17.6	18.1	22.1	23.5	23.8	23.6
Cortland	17.5	19.6	20.8	20.9	22.0	22.2	23.8	24.8	24.8	24.6
Delaware	14.8	16.5	18.1	19.0	20.2	21.0	22.9	24.8	25.5	25.8
Dutchess	8.3	9.5	10.6	11.4	12.5	13.0	16.4	18.0	18.2	18.3
Erie	16.5	17.8	18.8	19.5	20.6	21.0	24.1	25.4	25.7	26.1
Essex	13.8	15.0	16.0	16.6	17.4	17.8	20.3	21.5	21.5	21.8
Franklin	16.7	18.0	18.9	19.6	20.9	21.5	24.1	25.9	25.9	26.2
Fulton	21.6	23.3	24.7	25.3	26.2	26.6	28.7	30.2	30.8	30.5
Genesee	13.5	14.3	14.9	15.0	15.9	16.4	18.6	20.2	20.8	21.4
Greene	14.6	16.3	17.5	18.5	19.7	20.3	23.6	24.7	24.8	25.0
Hamilton	10.6	11.7	12.4	13.2	14.4	15.0	17.7	19.0	19.3	19.8
Herkimer	18.7	20.0	21.2	21.8	22.9	23.4	26.3	27.9	27.6	27.8
Jefferson	15.4	16.6	17.4	17.9	18.0	18.9	21.0	23.0	24.1	24.1
Lewis	16.5	17.5	18.1	18.9	19.8	20.3	22.8	24.6	25.7	25.6
Livingston	11.3	12.8	13.7	14.4	15.3	15.8	17.9	19.2	19.2	19.4
Madison	12.9	14.4	15.1	15.4	16.4	17.1	18.7	19.6	19.5	19.3
Monroe	16.4	17.5	18.5	19.7	21.0	21.5	24.8	26.2	26.1	26.1
Montgomery	21.0	23.0	25.1	26.2	27.4	28.2	30.2	31.7	32.7	32.7
Nassau	7.6	8.6	10.4	11.5	12.7	13.6	17.8	19.2	18.6	18.3
New York City	34.2	35.9	37.0	37.2	37.9	38.4	40.9	42.5	41.1	41.1
Niagara	15.9	17.6	18.6	19.2	20.3	20.9	23.7	24.9	24.9	25.1
Oneida	18.4	20.2	21.8	23.1	24.6	25.4	28.8	30.3	30.1	29.8
Onondaga	14.8	16.4	17.9	19.2	20.4	20.8	24.3	25.6	25.5	25.6
Ontario	10.9	11.9	13.2	14.1	14.8	15.3	18.0	19.1	19.0	18.9
Orange	14.3	15.7	17.1	18.1	19.4	20.1	24.0	25.8	26.0	26.5
Orleans	16.9	18.5	19.8	20.4	21.2	21.7	25.3	27.3	26.6	26.8
Oswego	18.4	20.5	22.1	23.0	24.3	24.6	27.0	28.2	28.0	28.2
Otsego	13.5	15.0	16.4	16.9	17.5	17.8	20.5	21.9	22.1	22.6
Putnam	4.8	5.4	5.6	5.5	6.0	6.6	9.7	11.4	12.0	12.8
Rensselaer	13.9	15.1	16.5	17.2	18.1	18.5	21.4	22.4	21.9	21.9
Rockland	16.7	18.4	19.9	21.3	23.1	23.9	28.8	31.2	31.4	32.1
St. Lawrence	18.3	19.4	20.7	21.3	22.0	22.5	24.9	26.6	26.7	26.5
Saratoga	8.4	9.3	10.2	10.6	11.3	11.5	13.5	14.2	14.1	14.3
Schenectady	14.0	16.0	18.0	20.0	21.6	22.3	27.2	28.5	27.8	27.8
Schoharie	13.5	14.9	16.3	17.1	18.2	18.7	22.0	23.0	23.1	23.1
Schuyler	16.2	18.3	19.8	20.8	22.4	23.6	25.4	26.3	26.8	26.4
Seneca	12.4	14.1	15.1	15.8	17.0	17.8	20.2	21.8	22.4	22.6
Steuben	16.8	17.9	19.1	19.5	20.6	21.1	24.8	26.6	26.8	26.7
Suffolk	9.0	10.3	11.5	12.6	14.0	14.8	18.5	20.4	20.5	20.9
Sullivan	17.5	19.1	20.6	22.2	24.6	25.6	30.5	33.1	33.8	33.9
Tioga	14.5	16.1	17.5	18.2	18.9	19.6	22.4	23.7	23.6	23.3
Tompkins	10.6	11.4	11.8	12.2	12.7	12.8	14.9	15.8	15.7	15.8
Ulster	12.4	13.6	14.8	15.8	17.2	17.9	22.5	23.9	23.5	23.6
Warren	12.4	14.1	15.3	15.9	16.8	17.5	20.6	22.4	22.9	23.3
Washington	14.4	16.0	17.4	18.4	19.4	19.7	24.0	26.2	25.9	25.7
Wayne	11.9	13.8	14.9	15.6	16.6	17.2	21.4	23.1	23.2	23.7
Westchester	11.3	12.3	13.3	14.1	15.3	15.8	19.7	21.3	21.2	21.2
Wyoming	10.8	12.2	13.3	13.7	14.5	14.8	18.3	20.3	20.1	19.7
Yates	14.7	16.4	17.0	17.0	18.0	18.1	21.3	23.0	22.0	21.9
New York State Total	21.9	23.4	24.6	25.3	26.3	27.3	30.0	31.5	30.9	31.0
Nassau, Suffolk, Westchester	9.1	10.2	11.6	12.6	13.9	14.6	18.6	20.2	20.0	20.0
Rest of State (excluding Nassau, Suffolk and Westchester Counties and New York City)	15.0	16.4	17.6	18.5	19.6	21.1	23.2	24.7	24.8	24.9

Sources: NYS Department of Health for enrollment data; U.S. Census Bureau for population data

Appendix D: Child Health Plus, Essential Plan and Qualified Health Plan Enrollment by County

County	Child Health Plus	Essential Plan	Qualified Health Plans
Albany	4,912	5,612	2,881
Allegany	602	906	452
Broome	2,756	3,481	1,959
Cattaraugus	1,179	1,408	936
Cayuga	1,514	1,512	919
Chautauqua	1,821	2,382	1,640
Chemung	927	1,485	858
Chenango	950	1,010	533
Clinton	1,449	1,457	632
Columbia	1,336	1,573	1,287
Cortland	1,018	994	498
Delaware	667	850	455
Dutchess	5,231	5,552	5,389
Erie	11,003	17,633	9,195
Essex	816	744	530
Franklin	714	851	460
Fulton	1,337	1,200	563
Genesee	1,069	1,219	664
Greene	902	967	676
Hamilton	81	106	120
Herkimer	1,687	1,443	632
Jefferson	1,866	2,230	946
Lewis	766	624	427
Livingston	1,053	1,089	614
Madison	1,255	1,216	796
Monroe	13,142	16,802	7,937
Montgomery	1,206	1,063	400
Nassau	29,526	44,175	24,099
New York City	132,550	465,868	102,759
Niagara	3,187	4,329	2,209
Oneida	4,623	4,909	2,160
Onondaga	7,754	9,033	4,622
Ontario	2,332	2,168	1,398
Orange	8,804	9,211	4,558
Orleans	817	986	492
Oswego	2,445	2,349	1,233
Otsego	1,155	1,050	600
Putnam	1,881	1,608	2,221
Rensselaer	2,759	2,447	1,523
Rockland	11,846	11,418	5,153
St. Lawrence	1,731	1,830	824
Saratoga	4,324	3,366	3,035
Schenectady	3,407	3,831	1,513
Schoharie	550	558	309
Schuyler	314	443	280
Seneca	564	672	312
Steuben	1,486	1,899	1,101
Suffolk	37,180	49,641	25,431
Sullivan	1,445	2,043	1,005
Tioga	801	954	597
Tompkins	1,328	1,536	1,163
Ulster	3,685	4,550	3,147
Warren	1,534	1,420	1,029
Washington	1,718	1,429	868
Wayne	2,326	2,052	1,121
Westchester	15,853	26,324	15,014
Wyoming	837	856	586
Yates	477	487	341
New York State Total	**350,495**	**738,851**	**253,102**

Source: NYS Department of Health
Note: Data for the five counties of New York City – Bronx, Kings, New York, Queens and Richmond – have been combined into one New York City listing. The figures for CHP reflect monthly averages for SFY 2017-18, while the figures for EP and QHP are as of January 31, 2018.

Contact

Office of the New York State Comptroller
110 State Street, 15th Floor
Albany, New York 12236

(518) 474-4015

www.osc.state.ny.us

Prepared by the Office of Budget and Policy Analysis

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