Technical Briefing on the Essential Plan

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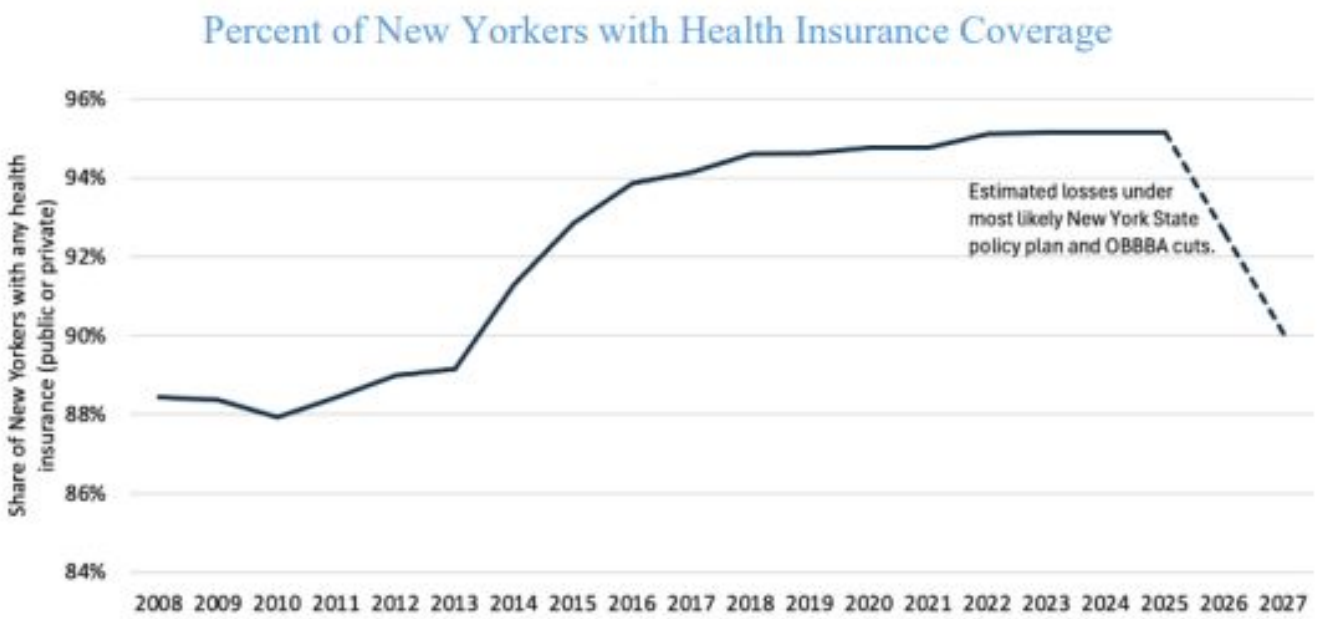
Agenda

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- Update on federal approvals
- Competing estimates on coverage loss
- How to protect the EP200-250 population
- Where to find the money

Where We're Headed

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Where we're headed

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- NYS faces the largest loss of health insurance coverage in its history
- Impacted groups:
  - EP 200-250: 450k
  - Medicaid work requirements: 800k
  - Immigrant QHP and Daca population: 36k

Essential Plan Update

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- The state received approval for its EP transition plan in March
- What that means:
  - Starting in **July 2026,** EP will cover people up to 200% of FPL, rather than 250%
  - Coverage will be **preserved** for the ~1.3 million EP enrollees under 200%
  - Coverage will **end** (unless we act now) for the 450k EP enrollees between 200 and 250%.

Will EP200-250 enrollees really lose coverage?

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- All 470k will lose **Essential Plan** coverage.
- Exec estimates that ~300k will get coverage through:
  - The Individual Market
  - Employer-sponsored insurance
- This is **likely not true**

The Individual Market Won't Help

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- ~20% of EP enrollees **aren't eligible** for PTC due to immigration status
- ~80% **are eligible,** but:
  - Even with PTC, individual coverage would cost ~$250/month and come with a deductible in the thousands of dollars
  - That's too expensive for people earning $35-$40k a year.
- Because of this, only **78k** people enrolled in this income group enrolled in the individual market before EP expansion.

Employer-Sponsored Insurance Won't Help

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- EP enrollees **don't currently have an offer** of employer-sponsored insurance.
- They work at small businesses, as gig workers and freelancers, etc.
- Bare-bones employer-sponsored insurance costs ~$10,000/year in New York.
- It's fanciful to think employers will step up.

So what can we do?

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- CSS and Make the Road have advanced a plan embodied in S9589 (Rivera/Paulin) to preserve coverage.
- The plan would address coverage for:
  - DACA/PRUCOL immigrants (6,000 individuals):
    - $21M in FY27, $29M thereafter
  - Immigrants on the individual market (15,000 people): $33M in FY27, $135M thereafter.
  - EP200-250 (444,000 individuals):
    - Low-cost version: $339M in FY27, $475M thereafter
    - High-cost: $1.5B in FY27, $2.1B thereafter.

The Solution for EP200-250

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- Spend state money to keep them on EP!
- EP is the state's BEST policy tool for maintaining coverage:
  - Healthy population
  - Regulated rates
  - Efficient delivery
- EP costs $5,000-$7,000/year, compared to $10,000 for exchange OR employer-sponsored plans.
- The state should fund coverage the most efficient way possible – through EP.

Key Policy Variables: Provider Rates

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- EP has **regulated provider rates.**
- For most of its existence, EP paid 125% of Medicaid, leading to costs of around $5k/individual
- In 2024 that number was raised to 220%, raising costs to $7k/individual
- By **returning to the original provider rates,** we can dramatically reduce costs to around $4.7k / person ($1.5B in FY27, $2.1B in FY28 and thereafter).

Key Policy Variables: Premiums

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- EP is currently free for enrollees
- Even a modest ($50) premium would likely lower enrollment dramatically
- CSS estimates that enrollment would fall to 113k if we did this, resulting in a lower total cost: $339M in FY27 and $475M thereafter.

The Two Plans

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- **Plan A:** $0 premium EP at 125% of Medicaid rates
  - **Enrollment:** 450,000
  - **Cost:** $1.5B in FY27, $2.1B thereafter.
- **Plan B:** $50 premium at 125% of Medicaid rates.
  - **Enrollment:** 113,000
  - **Cost:** $339M in FY27, $475M thereafter.

Where to Find the Money

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- In the Executive Budget, the Executive **reserved** $2.5B in FY27 and $3.5B thereafter in case we didn't get EP approval
  - Funding would have covered *Aliessa* immigrants.
- This money is now available and could **fully** cover the EP200-250 population.

Looking Towards the Future

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- A state-funded EP could become an important foundation for future progress
- Letting EP shrink would be a step backwards on New York's best policy idea.

Q&A

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