



November 29, 2023

The Honorable Janet Yellen
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Re: New York Section 1332 State Innovation Waiver Essential Plan Extension Updates

Dear Secretary Yellen and Secretary Becerra:

Thank you for the opportunity to provide feedback on the New York 1332 State Innovation Waiver Essential Plan Extension Updates.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions. We have a unique perspective on what individuals and families need to prevent disease, cure illness and manage chronic health conditions. The diversity of our organizations and the populations we serve enable us to draw upon a wealth of knowledge and expertise that is an invaluable resource regarding any decisions affecting the Affordable Care Act, the Basic Health Program and the people that they serve. We urge the Department of the

Treasury and the Department of Health and Human Services (Departments) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that New York's healthcare programs provide quality and affordable healthcare coverage. We believe that New York's revised proposal to use a Section 1332 waiver to expand its Essential Plan to more New Yorkers will advance these objectives. Once fully implemented, New York's waiver should reduce the number of people without insurance, provide affordable access to healthcare for nearly 100,000 new Essential Plan enrollees, and improve health equity, while satisfying the federal guardrail protections governing waivers.

New York's waiver will lower healthcare costs for individuals between 200-250% of the federal poverty level, even more so as the revised proposal removes the \$15 monthly premium for this group entirely. Compared to being enrolled in a standard silver plan with cost sharing reductions through the New York State of Health marketplace, an individual newly covered by the Essential Plan under this waiver would see their individual deductible decrease from \$1,925 to \$0 and their maximum out of pocket limit fall from \$7,550 to \$2,000.ⁱ Research consistently shows that higher cost-sharing, including premiums, is associated with decreased use of preventive services and medical care among low-income populations.ⁱⁱ The state estimates that enrollees in the expanded Essential Plan will save about \$4,700 per year (relative to their expected costs in a marketplace plan, absent the waiver), a decrease equal to an average of about 12% of household income for these New Yorkers.

At the same time, the state represents that the waiver will not affect eligibility requirements, benefits, or costs for existing categories of Essential Plan enrollees. We appreciate this commitment to preserving affordability and access to comprehensive coverage for the more than one million current enrollees of the program — a commitment we understand to be essential to the success of the proposed waiver.

Furthermore, we understand that, due to the affordability benefits of the waiver and its updates, New York's plan would also improve take-up of comprehensive coverage. The state now projects that the waiver will increase combined enrollment in the Essential Plan and the individual market by 1% in 2024, and from 2.1%-2.2% thereafter (equal to about 34,000 more enrollees in 2028, for example). In addition, we understand that the waiver would increase covered benefits for the target population — those who could have obtained coverage through the marketplace in the absence of the waiver but who instead will enroll through the Essential Plan — because their coverage will include the same essential health benefits covered by marketplace plans, plus vision and dental care. We are encouraged by and support these expected improvements.

Our organizations also support the positive effect that this waiver is expected to have on health equity in New York. Adult Black and Hispanic New Yorkers experience lower levels of health insurance coverage and higher incidences of preventable hospitalizations.ⁱⁱⁱ The state expects

that the increase in affordability of coverage under the waiver will help to address these disparities.

Our organizations previously commented on the state's efforts to minimize disruptions in coverage for individuals who will be shifting from individual market coverage to the Essential Plan and urged the Departments to work with the state to ensure that the impact of this shift is mitigated for enrollees.^{iv} We support the state's additional work to minimize disruptions in coverage in response to the updated implementation date of April 1, 2024, including a public education campaign and carrying over consumers' out-of-pocket spending to date from individual market coverage to the Essential Plan. We continue to urge the Departments to work with the state to ensure that those eligible to shift between plans are properly identified and experience minimal disruption in their access to existing providers and provider networks through close cooperation with consumers, carriers, providers, and patient and consumer organizations through the transition process. The Departments should ensure that the state has considered whether there are ways to mitigate any impact, such as enhanced temporary flexibilities for certain enrollees to continue receiving care at formerly in-network providers who are now out-of-network.

Our organizations support this updated proposal as a method to improve affordability of healthcare for lower income individuals in New York, as well as equitable access to care, while complying with the 1332 waiver statutory guardrails. We urge the Departments to approve this proposal.

Thank you for the opportunity to provide comments.

Sincerely,

American Cancer Society Cancer Action Network
American Heart Association
American Lung Association
Arthritis Foundation
Asthma and Allergy Foundation of America
Epilepsy Foundation of American
Hemophilia Federation of America
Lutheran Services in America
Lupus Foundation of America
National Kidney Foundation
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation
Susan G. Komen
The Leukemia & Lymphoma Society
WomenHeart

ⁱ New York State of Health, “Standard Plan Cost-Sharing Chart.” July 20, 2023. Available at: <https://info.nystateofhealth.ny.gov/sites/default/files/Attachment%20B%20Standard%20Schedule%20of%20Benefits%202024%207.20.2023.pdf>

ⁱⁱ Samantha Artiga, Petry Ubri, and Julia Zur, “The Effects of Premiums and Cost Sharing on Low-Income Populations: Updated Review of Research Findings,” Kaiser Family Foundation, June 2017. Available at: <https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/>.

ⁱⁱⁱ Department of Health, New York State. New York State Prevention Agenda Dashboard-State Level, 2023. Available at: https://webbi1.health.ny.gov/SASStoredProcess/guest?_program=/EBI/PHIG/apps/dashboard/pa_dashboard&p=s_h.

^{iv} Health Partner Comments re NY 1332 State Innovation Waiver. July 5, 2023. Available at: <https://www.lung.org/getmedia/57a66676-ca79-4243-956e-9887ee9a84fa/Health-Partner-Comments-re-NY-1332-State-Innovation-Waiver.pdf>.