



STATE OF NEW YORK
INSURANCE DEPARTMENT
25 BEAVER STREET
NEW YORK, NEW YORK 10004

Circular Letter No. 10 (1998)
May 8, 1998

**To: ALL INSURERS LICENSED TO WRITE ACCIDENT & HEALTH INSURANCE IN NEW YORK STATE,
ARTICLE 43 CORPORATIONS, AND HEALTH MAINTENANCE ORGANIZATIONS**

Re: CALL FOR PARTICIPATION IN NEW YORK'S VOUCHER INSURANCE PROGRAM

The New York Health Care Reform Act (HCRA) added Section 1121 to the Insurance Law, which authorizes the creation of a Voucher Insurance Program in order to expand the availability and affordability of health insurance coverage. The program will provide financial assistance, in the form of vouchers, to eligible individuals residing in Rensselaer and Westchester counties for the purpose of purchasing health care coverage from insurers, Article 43 Corporations, health maintenance organizations, prepaid health services plans and integrated delivery systems participating in the program, hereinafter referred to as "insurers."

The Voucher Insurance Program will be administered by an organization(s) selected by the New York State Insurance Department through a Request for Proposal that was issued on April 13, 1998. The organization(s) administering the Voucher Insurance Program will be responsible for enrolling eligible persons in the program and issuing vouchers. An eligible person must present a voucher to an insurer of his or her choice from the insurers participating in the program. It is anticipated that an eligible person's coverage with an insurer will begin the first day of the month following the eligible person's submission of the voucher to the insurer and payment of the premium.

Insurers should be prepared to accept enrollment as early as July 1, 1998. When enrolling the eligible person in its plan, the insurer must collect the share of the premium not covered by the voucher. Insurers will be responsible for collecting and submitting vouchers to the organization(s) administering the program. The organization(s) administering the program will submit the vouchers to the Insurance Department on a monthly basis. The Insurance Department will authorize payment of the portion of the premium represented by the collected vouchers directly to the insurer to which it is owed.

I. Insurer Eligibility:

An eligible insurer is: An insurer organized to write the kind of health insurance specified in paragraph three of subsection (a) of section one thousand one hundred thirteen of the Insurance Law; a corporation or health maintenance organization authorized pursuant to article forty-three of the Insurance Law or; a health maintenance organization, prepaid health services plan or integrated delivery system certified pursuant to article forty-four of the Public Health Law. Any of these entities which are interested in participating in the program may submit a proposal for participation to the Superintendent of Insurance. Such proposal shall include:

- (1) a description of the standards for provider enrollment, if applicable;
- (2) a description of the geographic area to be served, an estimate of the eligible and actual enrollees in such designated area; and a demonstration of the benefits to the community;
- (3) a demonstration of access to and delivery of high quality health care services and, if applicable, that any network of health care providers includes sufficient numbers of geographically accessible providers to service program participants;
- (4) a demonstration of the manner in which primary and preventive care and medical treatment will be emphasized or substituted for hospital inpatient or emergency room services in order to provide more appropriate care and more cost effective use of general hospitals;
- (5) a description of the procedures for marketing the program, if applicable;
- (6) a description of health care provider payment methodologies;
- (7) a description of the premium in relation to the benefit package, including an actuarial derivation of the proposed premium rate for the benefit package;
- (8) a description of the estimated expenses, including personnel costs and other types of administrative expenses which will be incurred in the program;
- (9) a description of the quality assurance and utilization review mechanisms to be implemented;
- (10) a description of the provisions for arranging for or offering conversion coverage in the event of termination of coverage;
- (11) a demonstration of an ability to meet data analysis and reporting requirements of the program; and
- (12) such other information as the Superintendent may deem appropriate.

II. Benefit Package:

Insurers participating in the Voucher Insurance Program shall issue enrollee contracts, approved by the Superintendent of Insurance, to voucher recipients that cover only the following benefits for the following described services:

**VOUCHER INSURANCE PROGRAM
BENEFIT PACKAGE**

COVERED SERVICES

SCOPE OF COVERAGE

COPAYMENTS

Outpatient diagnostic x-ray and lab services	Prescribed ambulatory clinical laboratory tests and diagnostic x-rays.	\$2 copayment per visit
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Outpatient surgical services including anesthesia	Surgical procedures performed in a provider's office, hospital-based ambulatory surgery center or a freestanding ambulatory surgical center. Coverage includes facility costs related to surgery.	\$2 copayment
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COVERED SERVICES

SCOPE OF COVERAGE

COPAYMENTS

Mammography Screening	<p>For a person of any age: Upon the recommendation of a physician, a mammogram for covered persons having a prior history of breast cancer, or whose mother or sister has a prior history of breast cancer.</p> <p>For covered persons aged 35 through 39: a single baseline mammogram.</p> <p>For covered persons aged 40 through 49: a mammogram every two years, or more frequently upon the recommendation of a physician.</p> <p>For covered persons aged 50 and older: an annual mammogram.</p>	\$2 copayment per visit
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COVERED SERVICES

SCOPE OF COVERAGE

COPAYMENTS

Cervical Cytology Screening	For covered women aged 18 and older: an annual pelvic examination, collection and preparation of a PAP smear and laboratory and diagnostic services provided in connection with examining and evaluating the PAP smear.	\$2 copayment per visit
Well child care from birth	Well child care visits, in accordance with the visitation schedule established by the American Academy of Pediatrics, including a medical history, a complete physical examination,	No copayment

developmental assessment, anticipatory guidance, appropriate immunizations, lab tests ordered at the time of the visit and necessary immunizations - - consisting of at least adequate dosages of vaccine against diphtheria, pertussis, tetanus, polio, measles, mumps, rubella, haemophilus influenzae type b and hepatitis b, all of which are covered for children to age 19.

PLEASE NOTE: The Insurance Department anticipates that any children eligible for coverage under the Voucher Insurance Program will be eligible for Child Health Plus, thus minimizing utilization of these benefits.

COVERED SERVICES

SCOPE OF COVERAGE

COPAYMENTS

<p>Primary and Preventive Care Services</p>	<p>Periodic physical examinations and adult immunizations are covered as preventive care services. Covered primary care services are the basic level of health care usually rendered by general and family practitioners and internists. Primary care emphasizes caring for the enrollees' general health.</p>	<p>\$2 copayment per visit</p>
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The Insurance Department expects that premium rates approved for an insurer will be for the duration of the program.

In addition to the exclusions permitted by 11 NYCRR 52.16, the following exclusions and limitations apply to the Voucher Insurance Program:

- All services not expressly set forth as covered services are excluded from coverage, including inpatient hospital care, home health care, inpatient and outpatient mental health and substance abuse treatment services and emergency room services.
- Preexisting conditions are excluded for twelve months following the date of enrollment. A preexisting condition is defined as a condition for which medical advice, diagnosis, care or treatment was recommended or received within the six months immediately prior to the enrollment date.
- Applicants are not eligible for the program if they had equivalent health care coverage within the twelve month period prior to application for a voucher. This limitation does not apply to persons who became ineligible for Medicaid or whose insurance terminated as a result of loss of employment.

- Applicants who had prior insurance coverage within the sixty- three days immediately before their date of enrollment under the Voucher Insurance Program and who have lost coverage due to termination of employment or loss of Medicaid eligibility shall be given credit for the time they were covered either under the prior plan or under Medicaid toward satisfaction of the preexisting condition waiting period.
- Notwithstanding any inconsistent provision of law or regulation to the contrary, benefits under the Voucher Insurance Program shall be considered secondary to any other plan of insurance or benefit program under which a person may have coverage.

III. Monitoring Insurer Performance:

Insurers participating in the Voucher Insurance Program will be required to submit reports to the Superintendent and to the organization(s) administering the program in such form and at times as may be reasonably required in order to evaluate the operations and results of such program. Participating insurers will be required to designate key personnel to act as liaisons to the approved organization(s) to aid in resolution of complaints and inquiries.

IV. Submission of the Proposal:

Three copies of the proposal to participate in the Voucher Insurance Program must be submitted to:

Fredric L. Bodner, JD
Assistant Deputy Superintendent and Chief, Health Bureau
New York State Insurance Department
Agency Building One
Empire State Plaza
Albany, NY 12257

Proposals to participate should be submitted by June 1, 1998. If an insurer is unable to meet this time frame, please advise the Department of your intent to participate in the program by such date. The Superintendent, in consultation with the Commissioner of Health, will determine whether to approve, disapprove or recommend a modification to an insurer's proposal to participate in the Voucher Insurance Program.

If you have any questions with regard to the Voucher Insurance Program, please contact Deborah Kozemko or Lisette Johnson at (518)474-4098.

Very Truly Yours,
Fredric L. Bodner, JD
Assistant Deputy Superintendent
and Chief, Health Bureau