



2007 Annual Report on Healthy NY

Prepared for:
State of New York Insurance Department

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January 2008

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CHAPTER I

PROGRAM DESCRIPTION AND SUMMARY OF FINDINGS

Program Description

Healthy New York (Healthy NY) is a state program that currently provides comprehensive, but streamlined, health benefits to nearly 150,000 New York residents. Uninsured individuals, sole proprietors and small business employers and their employees who meet specific income and eligibility criteria can participate in the Healthy NY program and obtain health insurance from one of 17 health plans. Health plans offer Healthy NY in areas where they operate, covering all counties in New York State, and the premiums are lower than other individual and small group policies. The premiums are lower because the State of New York makes “stop-loss” reimbursement payments to health plans that cover 90 percent of all claims between \$5,000 and \$75,000 per enrollee. The Healthy NY program is one of the few state insurance programs to rely on this mechanism to subsidize premiums. As a result, the program is considered a model for private health insurance expansion initiatives.

The Health Care Reform Act of 2000 (HCRA 2000) authorized the Healthy NY program to begin operations in January 2001 to promote access to quality health care by providing comprehensive health insurance to state residents who need it most.

The New York State Department of Insurance (Department) administers the Healthy NY program. HCRA 2000 and subsequent Health Care Reform Acts provided funding for paying reinsurance claims and mandated an independent annual evaluation of Healthy NY. Every year an independent entity evaluates Healthy NY and submits a report on program activity. EP&P Consulting (EP&P) holds a contract to conduct these independent evaluations. EP&P became a part of Navigant Consulting, Inc. in December of 2006. Previous Healthy NY reports for 2003, 2004, 2005 and 2006 are available on the Healthy NY website (www.healthyny.com). EP&P obtained data for the 2007 evaluation from monthly reports submitted to the Department by the health plans. EP&P also conducted two surveys of Healthy NY members, one with individuals and sole proprietors and another with small business employers participating in Healthy NY.

Healthy NY Benefits

HMOs operating in New York are required to offer Healthy NY benefits. The benefit package is the same for all Healthy NY HMOs and the services provided include inpatient and outpatient hospital services, physician services, maternity coverage, preventive health, laboratory and radiology services, and emergency services. For 2007, Healthy NY added three new benefits: diagnostic screening for prostate cancer for men, limited home health care coverage and limited physical therapy. Dental and vision services, mental health services and prescriptions, alcohol and substance abuse treatment, chiropractic services, hospice care, ambulance services and durable medical equipment are not included in the benefit package. There is a pharmacy

benefit option with an annual maximum benefit of \$3,000 per person, \$100 deductible, and copayments of \$10 for generic drugs and \$20 for brand name drugs plus the difference in cost between generic and brand name drugs. There is an inpatient hospital deductible of \$500, 20 percent coinsurance (up to \$200) for surgical services and a \$20 copayment for physician visits and tests. There is no copayment for well-child visits and immunizations and the copayment for prenatal services is \$10.

Healthy NY health plans are now required to offer a high deductible health plan (HDHP) option, with and without prescription drug coverage. Members who choose to enroll in this option may establish a tax-deductible health savings account (HSA), which is a savings account used to pay for certain medical expenses such as deductibles, copayments and over-the-counter medication. HDHP individual enrollees can contribute up to \$2,850 into their HSA account each year, while HDHP family enrollees can contribute up to \$5,650. Monthly premium costs for the high deductible health plan option are lower than standard Healthy NY plan costs. The 2007 deductibles for the Healthy NY high deductible health plans are \$1,150 for individual coverage and \$2,300 for family coverage. Out-of-pocket expenses for 2007, including deductibles and copayments, may not exceed \$5,250 for self-only coverage and \$10,500 for family coverage.

Appendix A has a full listing of the Healthy NY benefit package and description of the HDHP option.

Healthy NY Eligibility

There are different eligibility criteria for individuals and sole proprietors and small business employers. For 2007, previously uninsured individuals and sole proprietors with family incomes less than \$25,284 per year for single adults and \$51,384 for a family of four were eligible if they were a New York State resident and either had worked sometime in the past 12 months or had a spouse who worked sometime in the past 12 months. The income eligibility requirements are updated in January of each year.

Small business employers must have 50 or fewer employees and have at least 30 percent of their employees earning \$36,500 or less per year. They cannot have provided health insurance (defined as not arranging for coverage and contributing at least \$50 per month for inpatient and outpatient services) for the past 12 months. Small business employers must pay at least half of individual premiums and offer the insurance to all employees who make \$36,500 or less per year and work 20 or more hours per week. Fifty percent of employees must either enroll in Healthy NY or have other health insurance coverage.

A more complete listing of the eligibility criteria is included in Appendix A.

Premiums and State Funding

A streamlined benefit package and stop-loss reimbursements by the State help keep Healthy NY premiums affordable. Health plans set community-rated premiums for Healthy NY, just as they do for individuals and small groups in the state. Premiums are the same regardless of age, gender, industry, claims, or duration but can vary by county and family size. The Department requires separate premiums for individuals, two adults, parent and one or more children, and family (two parents and one or more children) coverage options. There is a pharmacy benefit option and as of January 1, 2007, the HDHP option is available.

HCRA 2005 allotments to fund Healthy NY were \$69 million in 2005, \$110 million in 2006 and \$85 million for the first six months in 2007. Allotments unused in a specific year can be carried over to subsequent years.

Executive Summary

For the 2007 annual evaluation, EP&P analyzed enrollment trends, data from Healthy NY hotline reports and website activity reports, members' cost experience, health plan premium and financial data and feedback through surveys from individuals, sole proprietors and small business employees on their views of Healthy NY. The chapters of the 2007 evaluation are:

- ❑ Chapter II analyzes enrollment trends for 2007 by health plan, enrollment category, area and county. This chapter also has an analysis of inquires about Healthy NY and data comparing New York to the U.S. in terms of the number of uninsured residents.
- ❑ Chapter III provides an analysis of the cost of Healthy NY premiums and enrollment in each area and county and examines health plans medical loss ratio (MLR) and stop loss payments reported to the Department.
- ❑ Chapter IV is an analysis of the results from the Healthy NY individual and sole proprietor member survey.
- ❑ Chapter V is an analysis of the results from the Healthy NY small business employer member survey.

Enrollment Statistics

As of October 2007, seventeen health plans were providing Healthy NY benefits to nearly 150,000 enrollees. Enrollment has increased by 14 percent in 2007. Since the start of the program, nearly 400,000 people have participated in the Healthy NY program. Individuals continue to comprise a majority of Healthy NY members, followed by small business employees. The percentage of small business employees has increased each year since 2004. Empire HealthChoice HMO has the highest Healthy NY market share at 30 percent. Excellus Health Plan and Oxford Health Plans also have at least 10 percent of the total statewide

enrollment. Healthy NY enrollment once again grew in every geographical region of the state with 56 counties increasing their Healthy NY enrollment in 2007. There was little difference in membership increase by area. Despite increased enrollment over the past few years, the New York City area still has a much smaller percentage of Healthy NY members than its share of the state's population. Throughout the state, few members have chosen the HDHP option that became available at the beginning of the year. The percentage of members forgoing prescription drug benefits decreased slightly from 2006 and now stands at less than one-fifth of Healthy NY members. The monthly net enrollment rate continued to decrease in 2007 with September 2007 showing the first ever monthly negative net enrollment.

Program Inquiries

Website inquiries about Healthy NY increased in 2007, while call volume to the Healthy NY hotline remained flat. Nearly 100,000 people called the Healthy NY hotline during the first nine months of 2007. There were over 3.5 million unique visitors to the Healthy NY website during the first nine months of the year, accounting for close to 15.3 million hits.

Uninsured Coverage Comparison

New York's uninsured population is once again below the national average. New York continues to have a lower uninsured population than about half of the states. Healthy NY is playing a key role in reducing the uninsured population among low-income New Yorkers as the state ranks highly in comparison to other states in percentage of uninsured low-income residents.

Premiums

The average weighted Healthy NY premiums for 2007 increased from \$204 to \$230. This 12 percent increase is higher than the eight percent increase seen in 2006. All but one health plan raised its prices for 2007 with premiums increasing in all areas of the state. Most monthly premiums are in the \$225 to \$250 range. About half of Healthy NY enrollees are choosing one of the plans in this price range. At the aggregate, statewide level, there is some evidence that Healthy NY members are not basing their health plan selection on price as similar percentages of enrollees and offerings are in the top two monthly premium corridors. However, when the data is broken down further by looking at the premium data by individual health plan at the county level, there is some evidence that Healthy NY members are becoming more price-based in their plan selection. Price-based health plan selection appears to be most prevalent in the Utica/Watertown and Syracuse areas, with members in most other areas other than the Mid-Hudson area also exhibiting some signs of price-based selection.

Changes in Healthy NY enrollment and premiums appear to go hand in hand in most of the counties in the state, but there is less evidence of these changes moving together at the health plan level. Enrollment continues to appear to have some correlation to premium changes at the

health plan level, but again, not enough to suggest that price alone is the only motivating factor members use to decide in choosing a health plan, leaving their current health plan for another one, or exiting Healthy NY entirely.

Financial Data

The overall adjusted medical loss ratio (MLR) for all Healthy NY plans dropped by six percent down to 82.2 percent in 2006. The unadjusted MLR, which does not include state stop-loss reimbursements, was 117.7 percent in 2006, the lowest since 2003. A MLR above 100 percent means revenue received by a health plan did not cover all costs, while a MLR below 100 percent means revenue more than covered costs. Healthy NY had an unadjusted MLR over 100 percent and an adjusted MLR below 100 percent meaning that stop-loss reimbursement payments from the state made the difference between health plans being able to cover their costs incurred in 2006.

The adjusted and unadjusted MLRs for small employers were lower again in 2006 than they were for individuals and sole proprietors, just as they have been in the past. The 2006 data showed that 17 of the 19 health plans participating in Healthy NY in 2006 covered their medical costs with premium revenue and stop-loss reimbursements, but without the stop-loss reimbursements, only one health plan would have covered its medical costs. The stop-loss reimbursement payments to Healthy NY health plans by the state have reduced costs by an average of 30 percent. Eight plans had an adjusted MLR in the 80 to 89 percent range for 2006 with fewer plans in the 90 percent and above range than in the below 80 percent range.

Only seven percent of members had claims falling into the stop-loss reimbursement range, but their claims accounted for nearly three-fifths of the medical costs for the health plans. Both of these numbers increased in 2006. Stop-loss reimbursements from the state to the health plans for 2006 were just over \$92 million, up almost 50 percent from 2005.

Individual and Sole Proprietor Survey Results

The member survey only included individual and sole proprietor Healthy NY members, a methodological change from previous years. EP&P received a total of 2,106 returned surveys from members in 61 out of 62 counties for an overall response rate of 32 percent with 1,781 returned surveys from individuals and sole proprietors who joined Healthy NY prior to January 1, 2007 and 325 returned surveys from individuals and sole proprietors enrolled in a Healthy NY HDHP. The HDHP member responses did not mirror that of non-HDHP members.

The demographic profile of the 2007 Healthy NY survey respondents is the same as previous surveys, except the addition of the HDHP option in 2007 has led to an increase in younger Healthy NY members. Half of the members responding to the survey reported that their 2006 income was \$20,000 per year or less. Similar to previous years, friends and family continued to be the most prominent way that Healthy NY individual and sole proprietor members learned

about the program with some differences in how HDHP survey respondents learned about the program versus non-HDHP survey respondents. Most Healthy NY individual and sole proprietor members do not have any dependent children. Among members with children, nearly all report that their children and spouses have health insurance.

The typical Healthy NY individual and sole proprietor member is a single individual with prescription drug benefits in a non-HDHP plan. These non-HDHP members are also largely not aware of or interested in enrolling in a high deductible plan. Among identified HDHP members who responded that they were enrolled in a Healthy NY high deductible plan, a majority said they would have enrolled in Healthy NY this year even without a high deductible plan. The percentage of individual and sole proprietor survey respondents who said they were enrolled in a plan including prescription drug benefits has declined and is lower than the percentage actually enrolled in such a plan.

Most individual and sole proprietor survey respondents identified themselves as a working individual who does not own their own business and are not part of a company health plan and as having had coverage within the three months prior to enrolling in Healthy NY. Cost was the primary reason why most individual and sole proprietor survey respondents did not have health insurance before enrolling in Healthy NY and the most popular reason why they chose to enroll in the program.

Healthy NY members appear to be fairly healthy as most rate their health as very good to excellent, with HDHP members perceiving themselves as being in better health. There has been an improvement in these self-health ratings over the past three years. Most survey respondents reported that having Healthy NY coverage either has not changed their health or helped to improve it.

Members are happy with their doctors and found it easy to locate a primary care physician. Most have visited their primary care physician recently, and overall Healthy NY members access their doctor's office more than the emergency room for care.

Healthy NY survey respondents are generally pleased with their HMO or insurer. On a scale of zero to ten, the average HMO/insurer rating of 7.07 for 2007 is higher than the average rating for the two previous years. HDHP members were not as happy and had an average rating of 6.62. While satisfaction with Healthy NY health plans have improved over the past year, Healthy NY individual and sole proprietor survey respondents' satisfaction rates are still well below those for both commercial and Medicaid health plans. Another good indicator of satisfaction is that the top reason given by individual and sole proprietor survey respondents for their choice of the HMO/insurer that they are enrolled with is that they had the same HMO/insurer previously.

Respondents are more satisfied than unsatisfied with all four aspects of the Healthy NY program tested in the 2007 survey. They are most satisfied with the provider network and enrollment process. They are least satisfied with the cost of the program. HDHP respondents

are less satisfied with the enrollment process and benefit packages than non-HDHP members, but more satisfied with program cost. Compared to last year, individual and sole proprietor members are less satisfied with the provider network, enrollment process and benefit packages. There are differences in ratings for each aspect of Healthy NY by health plan with the biggest gap in health plan responses for cost.

For the 2007 survey, we added questions to find out if members wanted additional benefits included in the program. Individual and sole proprietor survey respondents are supportive of including all six additional benefits to the program, but generally only if their monthly premium did not increase. The most desired benefit is ambulance services, if there is no monthly premium increase. Individual and sole proprietor survey respondents are most likely to be willing to pay more to include dental and vision as part of their benefit package.

Small Business Employer Survey Results

For the 2007 employer survey, EP&P mailed 1,070 surveys to employers enrolled in all 17 Healthy NY health plans, a change from previous years when only the health plans with the most employer enrollment were sampled. There were 1,000 surveys mailed to employers who joined Healthy NY prior to January 1, 2007 and 70 surveys mailed to employers enrolled in the Healthy NY high deductible plan. Overall, EP&P received a total of 294 returned surveys for an overall response rate of 27 percent. We received at least one returned surveys from all 17 Healthy NY health plans with varying response rates by health plan. Employers in 54 out of 62 New York counties returned surveys. The 2007 survey included many questions that appeared in previous years' surveys as well as some new questions on the Healthy NY high deductible health plan, use of insurance brokers to purchase Healthy NY and employee income.

Most employer survey respondents have five or fewer employees, have been in business for five or more years and have had their Healthy NY coverage for three or fewer years. Small businesses enrolled in Healthy NY are located throughout the state, with no concentration in any single area. Employers generally have employees making less than \$40,000 per year and the percentage of employers with eligible employees in the lower income categories is much higher than the requirement of the program that thirty percent of the eligible employees must make \$36,500 or less per year.

About eighty percent of employer survey respondents say they include prescription drug benefits in their Healthy NY benefit package. Employers who offer prescription drug benefits as part of the Healthy NY package do not identify one overwhelming reason for doing so, while those without the prescription drug benefit package generally do not include drug benefits because the drug option was too expensive.

There has been a steady increase in Healthy NY enrollment among employers as the percentage of survey respondents who also enrolled in Healthy NY themselves increased in 2007. However, there is less participation among employees as only half of employer survey

respondents estimated that a majority of their employees are Healthy NY enrollees through the company's health plan, down from two-thirds reporting majority participation in 2006.

Small businesses are required to contribute at least 50 percent of the individual premium, but survey responses indicate that most small businesses are offering more than the minimum percentage. In addition, about three-quarters of the survey respondents say they offer family coverage, even though employers are not required to offer it. Most employers who do not offer family coverage report that they do not offer it because their employees do not have families. Employers are not required to contribute an additional amount for family coverage beyond the individual amount, but a majority of employers offering this coverage contributed at least some percentage towards family coverage.

There are no mandatory Healthy NY waiting periods and about half of employers choose not to have a waiting period. Most employers with a waiting period say they have one to make sure that the employee stays with the company or because of high turnover. Healthy NY continues to be a new offering for the vast majority of the employers and since most companies have offered health insurance before, the ability to offer a reasonably-priced health insurance benefit is the top reason employers gave for enrolling their business in Healthy NY.

Employers' primary motivations for offering health insurance in general include a desire to have health insurance for themselves or their family, to help retain quality employees and to be able to offer health insurance as part of the compensation package. The clear top reason for offering Healthy NY as the selected health insurance coverage is the reasonable price, followed by cost effectiveness of the program. Reputation, physician network and monthly premiums are tied as the most important reason companies select their particular HMO or insurer.

Employers recall hearing about Healthy NY in a variety of ways, but the top two methods continue to be television advertising and from a family member, friend or co-worker.

Most employers have not heard about the HDHP option and few indicated that they have enrolled in one of these plans. There is not a lot of interest in this option once employers learn the deductible amounts.

Employers with Healthy NY are satisfied with their HMO or insurer and satisfied with aspects of the Healthy NY program, but satisfaction is down across the board from last year. Employer survey respondents give the best ratings to the overall amount of administrative time of the program, with the premium cost and benefit packages rated less highly. However, employers continue to believe the availability of Healthy NY has had a positive impact on their companies and attribute this mainly to increased employee morale and retention. While employer satisfaction with HMOs and insurers and the Healthy NY program continues to be high, there is concern among employers about their ability to stay in the Healthy NY program due to premium increases.

CHAPTER II ENROLLMENT STATISTICS, INQUIRES AND UNINSURED COVERAGE COMPARISON

Introduction

The Healthy NY program has provided a low cost health insurance option to nearly 400,000 people since its inception in February of 2001. Enrollment in Healthy NY has increased rapidly since its introduction and as of October 2007¹, there were 147,530 Healthy NY members. This is an increase of 14 percent since October 2006. Interest in the program remains high. On average, more than 10,000 people call the Healthy NY hotline for information every month, similar to the call volume from 2006. There has been an increase in both visitors and hits on the Healthy NY website in 2007 with nearly 400,000 unique users visiting the website every month.

There are three categories of Healthy NY members: small business employees, sole proprietors of their own business, or individuals not covered by an employer and not a sole proprietor. Individuals continue to comprise a majority (53 percent) of Healthy NY members, followed by small business employees at 31 percent and sole proprietors being the remaining 16 percent. The percentage of small business employees has increased each year since 2004 with a corresponding decline in percentage of individuals enrolled in Healthy NY. Seventeen health plans were providing Healthy NY benefits as of October 2007. There were no mergers or plans discontinuing enrollment in 2007.

Healthy NY enrollment once again grew in every geographical region of the state. Fifty-six counties saw an increase in Healthy NY enrollment in 2007, down slightly from 59 counties with an enrollment increase in 2006. There was little difference in membership increase by area. Despite another year of increased enrollment, the New York City area still has a much smaller percentage of Healthy NY members than its share of the state's population.

Healthy NY introduced another option in 2007, the high deductible health plan (HDHP) option, to go along with the optional prescription drug benefit. This HDHP option offers lower monthly premiums than the standard Healthy NY plan costs with deductibles of \$1,150 for individual coverage and \$2,300 for family coverage and members who choose to enroll in this option may establish a tax-deductible HSA to pay for deductibles, copayments and over-the-counter medication. As of May 2007, less than one percent of members had chosen the high deductible option. The percentage of members forgoing prescription drug benefits decreased slightly from 2006 and now stands at 19 percent.

The monthly net enrollment rate continued to decrease in 2007. In fact, for the first time since the inception of the Healthy NY program, net enrollment was negative in September 2007. It is

¹ EP&P used October 2007 enrollment data as the most recent data in this year report, unlike previous years when we used December data. This is due to the failure of three plans (Aetna, MVP Health Plan and Preferred Care) to turn in updated November and December monthly enrollment data to the Department of Insurance in time for inclusion in this report.

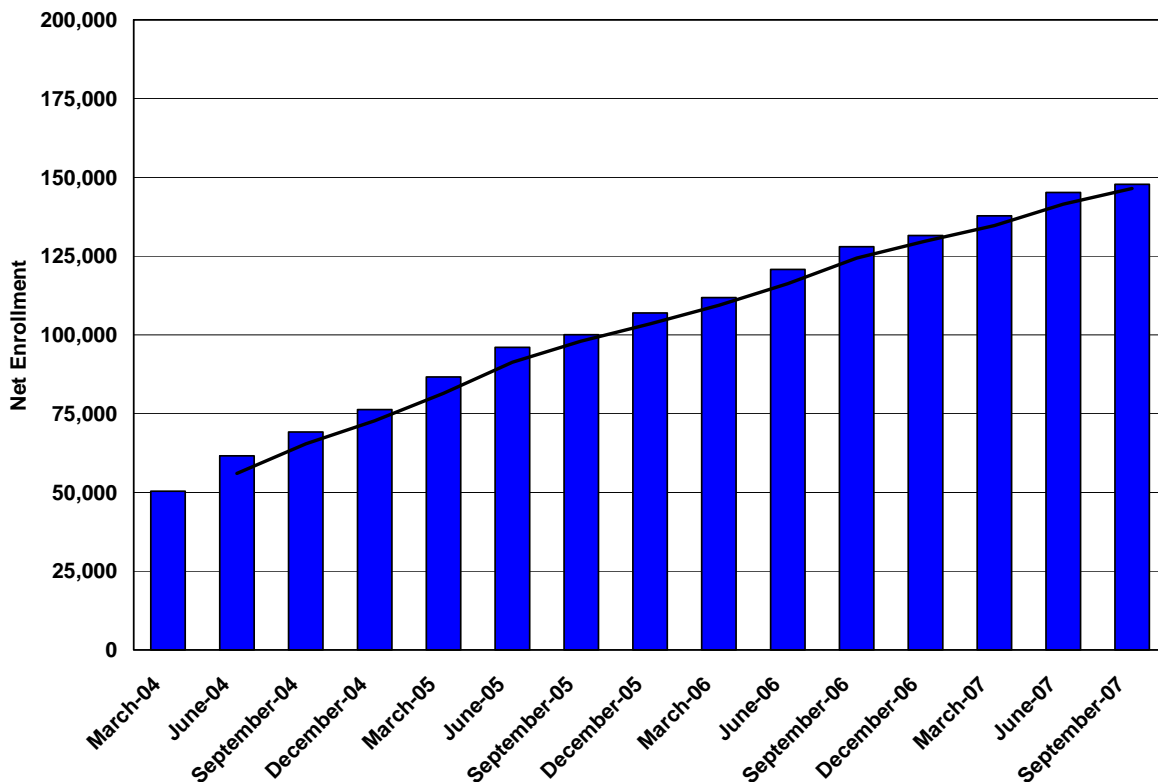
unclear what factors lead to this net enrollment decrease. Since it is a recent finding, it should be monitored in the upcoming months to assess if it is an actual trend or just an isolated finding.

Enrollment Levels over Time

Enrollment in the Healthy NY program continued to increase in 2007, but at a slower rate than previous years. From October 2006 to October 2007, the growth rate for the entire program was 14 percent. This is a much slower rate when compared to both 2006 (23 percent) and 2005 (40 percent).

The benchmark figures achieved in the past by Healthy NY have also slowed. In September 2006, Healthy NY reached the 125,000 member mark. By the previous September (2005), the program had reached the 100,000 member mark. However, by September 2007, membership had yet to reach the 150,000 member mark (see Figure II-1).

Figure II-1
Healthy NY Net Enrollment since Program Inception



The gross enrollment, the number of members ever enrolled in the Healthy NY program, did increase by over 100,000 from September 2006 to September 2007, moving above the 375,000 mark. However, these figures also appear to be slowing down. Every quarter prior to 2007 saw

double digit increases in the gross enrollment. The second and third quarter of 2007 only saw a 9 percent and 5 percent increase respectively (see Table II-1).

Table II-1: Net and Gross Healthy NY Enrollment since March 2003

Month and Year	Net Enrollment Level	Net Enrollment Increase (Versus Prior Quarter)	Percent Increase	Gross Enrollment Level	Gross Enrollment Increase (Versus Prior Quarter)	Percent Increase
March-03	22,080	4,320	24	29,639	6,790	30
June-03	26,853	4,773	22	37,433	7,794	26
September-03	33,081	6,228	23	48,296	10,863	29
December-03	39,801	6,720	20	59,027	10,731	22
March-04	50,357	10,556	27	74,037	15,010	25
June-04	61,611	11,254	22	91,203	17,166	23
September-04	69,166	7,555	12	106,459	15,256	17
December-04	76,297	7,131	10	123,176	16,717	16
March-05	86,639	10,342	14	144,289	21,113	17
June-05	96,031	9,392	11	168,446	24,157	17
September-05	100,048	4,017	4	186,903	18,457	11
December-05	106,944	6,896	7	208,453	21,550	12
March-06	111,823	4,879	5	229,404	20,951	10
June-06	120,745	8,922	8	253,260	23,856	10
September-06	127,991	7,246	6	277,882	24,622	10
December-06	131,546	3,555	3	306,383	28,501	10
March-07	137,774	6,228	5	340,350	33,967	11
June-07	145,198	7,424	5	369,618	29,268	9
September-07	147,781	2,583	2	389,819	20,201	5

The data presented in Table II-1 differs from previous reports as it does not include fourth quarter net and gross enrollment due to the failure of some health plans to submit updated data to the Department of Insurance.

Inquiries about Healthy NY

Healthy NY inquiries are measured using data from ABVI Goodwill on calls to the Healthy NY hotline (1-866-HEALTHY NY) and from the State using internet traffic on the Healthy NY website (www.HealthyNY.com). The number of hits on the Healthy NY website and the number of unique visitors to the website are the measurement tools used for internet traffic data.

Hotline Calls

The Healthy NY hotline received a total of 94,082 calls from January to September 2007 (see Table II-2) for an average of 10,454 calls per month. This is a two percent decline in call volume compared to the first nine months of 2006 when there were 95,762 calls to the hotline. The busiest month by far in 2007 was January with 14,247 calls, followed by March with 11,254 calls. There were at least 9,000 calls per month. The first quarter of the year (January to March) was much busier than the rest of the year, with over 36,000 calls in the first quarter; an average of 12,000 calls per month. The average call volume for the remaining six months is 9,680 calls per month.

Table II-2: Healthy NY Hotline Calls by Month (January to September 2007)

Month	Number of Calls	Percent of Calls
January	14,247	15
February	10,502	11
March	11,254	12
April	9,651	10
May	9,989	11
June	9,368	10
July	9,439	10
August	10,600	11
September	9,032	10
Total	94,082	100

There are few complaints registered through the hotline. Only 45 callers, or less than one-twentieth of one percent, called with a complaint.

The calls to the Healthy NY hotline were overwhelmingly from individuals (91 percent), with only five percent of the calls from sole proprietors and four percent from small businesses. There were more sole proprietor calls than small business calls despite there being more small business Healthy NY members. These results are virtually identical to the 2006 hotline call results.

In addition to being an individual, the typical Healthy NY hotline caller's primary language is English (98 percent). About seven in ten (69 percent) of Healthy NY callers were female, identical to the 2006 hotline call data.

Three-quarters (75 percent) of the small business calls came from businesses identified as having five or fewer employees. Fifteen percent of these calls were from small businesses with six to ten employees and the remaining 10 percent were from small businesses with more than ten employees. This is a higher percentage of calls from businesses with five or fewer employees than in 2006.

One-third (32 percent) of the small business calls were from businesses that defined themselves as service businesses, down from the 43 percent of calls from service businesses in 2006. There was an increase in calls from "professional" businesses with 18 percent of the 2007 calls from these companies, compared to only 10 percent in 2006. One in six (16 percent) calls was from "labor" businesses, seven percent were from small businesses that provide clerical services and six percent were food service companies.

Those calling the hotline reported hearing about from Healthy NY from a variety of sources. However, 2007 saw an increase in hotline callers reporting that they heard about Healthy NY from a friend or a relative (23 percent). Last year only 17 percent of hotline callers stated they heard about Healthy NY from a friend or a relative. Most hotline callers in 2006 reported hearing about Healthy NY from the television; however, in 2007 television ranked third behind family or friends and the internet (see Table II-3). These callers must be referring to television advertising in prior years as there was not any Healthy NY television advertising, or any other form of mass marketing by the program, during 2007.

Table II-3: Hotline Callers Source for Hearing about Healthy NY (January to September 2007)

Heard About Healthy NY	Number of Calls	Percent of Calls
Friends/Relative	19,556	23
Internet	14,350	17
Television	13,654	16
Insurance Company	9,714	11
Family Health Plus	8,541	10
Community Organization	4,441	5
Radio	3,896	5
Repeat Caller	2,941	3
Workplace	2,929	3
Child Health Plus	1,588	2
Doctor's Office	1,263	1
All Other Sources	3,168	4
Total	86,041	100

The hotline data also grouped hotline callers based on their health insurance status. Sixty-four percent of the hotline callers did not have any type of health insurance. Additionally, 11 percent were ineligible for Healthy NY, 6 percent stated that they had insurance, but had lost their job and 4 percent had insurance, but had reached the maximum age for dependent status. These results are similar to the 2006 data.

As in previous years, most hotline calls were resolved with verbal information given during the call (47 percent). Another 24 percent were resolved by sending the hotline caller more information through the mail and hotline employees referred an additional 19 percent to the internet for more information. These data are present in Table II-4 and are similar to the 2006 hotline call results.

Table II-4: Resolution of Healthy NY Hotline Calls (January to September 2007)

Resolution of Call	Number of Calls	Percent of Calls
Information Only	41,083	47
Mailed Information	20,565	24
Internet	16,496	19
HMO	6,275	7
Family Health Plus	1,543	2
Child Health Plus	1,007	1
All Other Sources	438	1
Total	87,407	100

Healthy NY Website Activity

The Healthy NY website continued to experience increased traffic in 2007. According to monthly reports, there were over 3.5 million unique visitors and nearly 15.3 million hits on the Healthy NY website from January 2007 to September 2007 (see Table II-5). Including data from the fourth quarter of 2006 (October to December) brings the total number of unique visitors to close to 4.7 million and the total number of hits to nearly 19.5 million. There were almost 400,000 unique visitors and more than 1.6 million hits to the Healthy NY website per month from October 2006 to September 2007.

Table II-5: Comparison of Healthy NY Website Traffic

Time Period	Number of Website Hits	Number of Unique Visitors
January to September 2006	10,527,961	3,143,776
January to September 2007	15,288,240	3,579,774
Percent Change 2006 to 2007	45	14

Table II-5 also shows an increase in traffic to the Healthy NY website over the past year in terms of both unique visitors and hits. Total unique visitors for the first nine months of 2006 were 3.1 million. For the first nine months of 2005, there were just over 2.5 million unique visitors. The increase in website hits was even greater as there was a 45 percent increase in the number of web-site hits for the first nine months of 2007 compared to the same period in 2006.

March and June were the busiest months for the Healthy NY website with 464,705 unique visitors in June and 1,798,249 hits in March. The number of monthly hits reached at least 1.5 million hits every month in 2007, except for February, after having never reached that number until this year. There were four months (March, May, June and July) with over 400,000 unique visitors to the website, a level never achieved in a single month prior to 2007.

Enrollment Distribution by Member Type

Healthy NY members fall into one of three categories: small business employees, sole proprietors of their own business, or individuals not covered by an employer and not a sole proprietor. Individuals have been a majority of Healthy NY members since December 2001 and the distribution between these three categories has changed slightly over the past few years with a yearly increase in the percentage of small business employees. For 2007, EP&P utilized the October data instead of December data due to the failure of three plans (Aetna, MVP Health Plan and Preferred Care) to turn in updated November and December monthly enrollment data to the Department of Insurance in time for inclusion in this report.

Individuals continued to be a majority of Healthy NY members in 2007 at 53 percent, down from a high of 59 percent in 2003. This is the lowest percentage of individual members over the past four years, as seen in Figure II-2 on the next page.

While the percentage of individuals has decreased, the percentage of small business employees has gone up from 23 percent in December 2004 to 31 percent as of October 2007. Up until December 2003, there were more sole proprietor Healthy NY members than small business employee members. The percentage of sole proprietor members started at 28 percent in December 2001, but has declined to only one in six (16 percent) members by October 2007.

**Figure II-2
Healthy NY Enrollment Mix by Member Type**

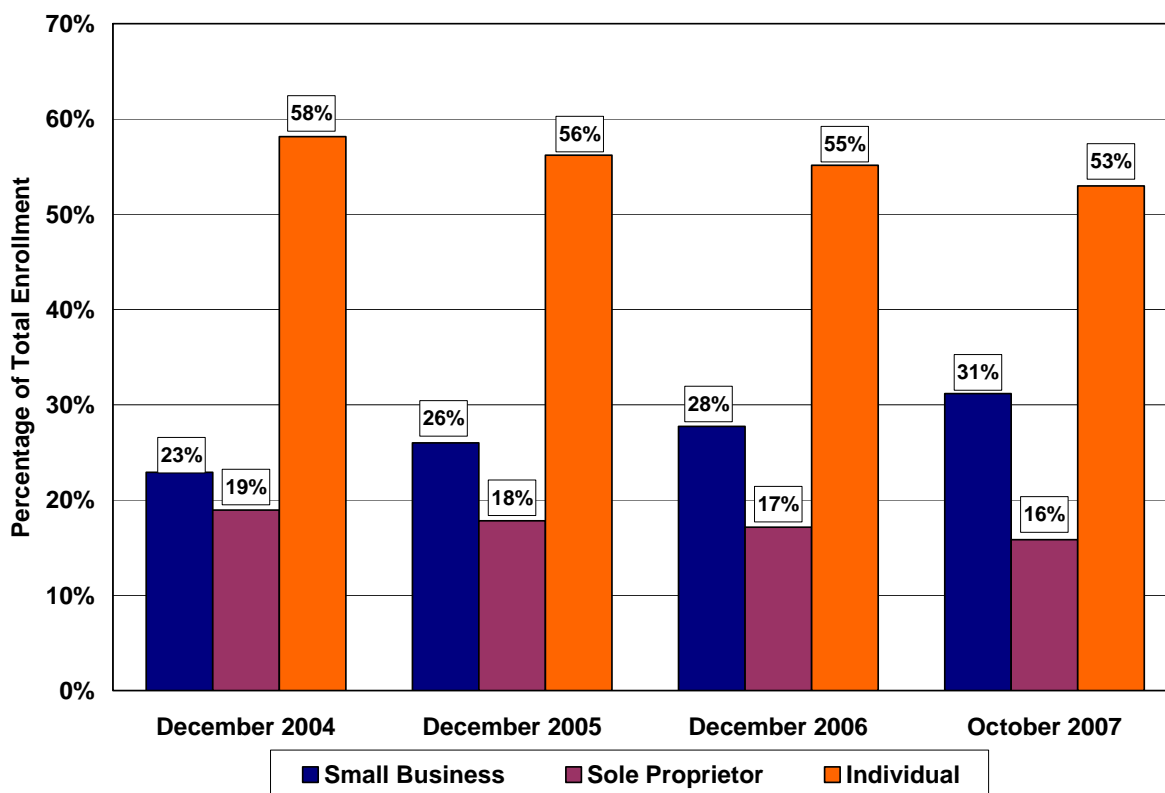


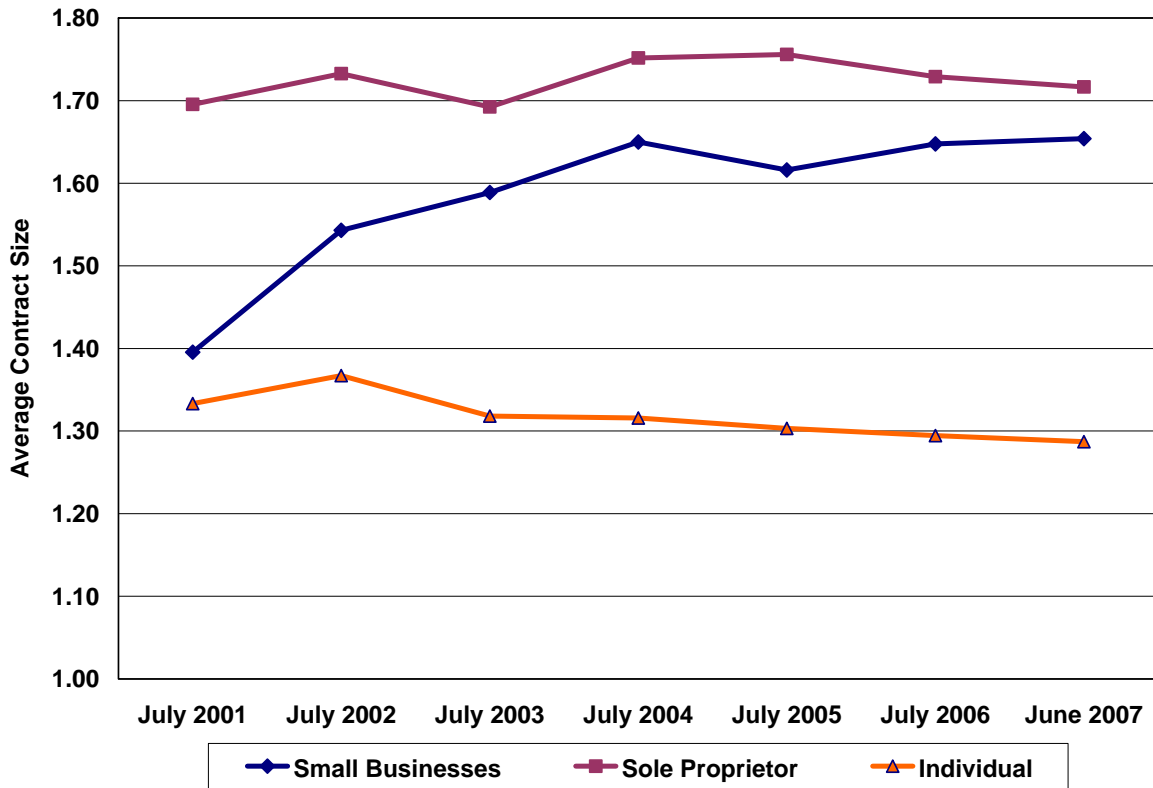
Table II-6 shows the average contract size, defined as total enrollment divided by unique subscribers, for each of the group types and the overall average. As in previous years, sole proprietors and small businesses have a larger average contract size than individuals.

Table II-6: Healthy New York Average Contract Size by Member Category as of June 2007

Member Category	Small Businesses	Sole Proprietor	Individual	Total
Subscribers	26,298	13,537	60,954	100,789
Dependents	17,198	9,700	17,511	44,409
Total Enrollment	43,496	23,237	78,465	145,198
Dependents as a Percent of Total	40	42	22	31
Average Contract Size	1.65	1.72	1.29	1.44

The average contract size by member category has remained relatively unchanged over the years. This remains the same for 2007. The largest shift in contract size has taken place in the small business category. In 2001 the average size of a small business contract was 1.40 (see Figure II-3). That figure has increased over the years and has now stabilized at 1.65 in 2006 and 2007.

Figure II-3
Healthy NY Average Contract Size Trends



Enrollment Distribution by Health Plan

As shown in Table II-7, as in the previous year, Empire HealthChoice HMO (Empire) has the highest enrollment of the 17 participating health plans². In 2007 Empire had a total enrollment of 44,187, an increase of more than 10,000 members since December 2006. Excellus Health Plan and Oxford Health Plans had the second and third highest enrollment with 22,460 and 14,776 respectively. Health Net of New York had the largest increase of all plans in its market share. Health Net experienced a 68 percent increase in market share in 2007. Empire not only had the highest enrollment, but it also had an 18 percent increase in its market share, the third highest increase among all plans.

² Enrollment data provided through October 2007. Enrollment data for Preferred Care is through July 2007 as this plan has not provided updated monthly enrollment data to the Department of Insurance since July.

Table II-7: Enrollment Distribution by Health Plan

Health Plan	December 2006	October 2007 Enrollment					Percent Change Market Share
	Percent of Statewide Enrollment	Small Business	Sole Proprietor	Individuals	Total Enrollment	Percent of Statewide Enrollment	
Aetna Health Inc.	7.8	2,461	1,173	5,938	9,572	6.5	-16
Atlantis Health Plan	1.3	285	0	2,059	2,344	1.6	24
CDPHP	4.5	1,689	1,652	3,109	6,450	4.4	-2
CIGNA Healthcare	2.9	1,341	675	2,301	4,317	2.9	2
Empire HealthChoice	25.5	14,125	7,404	22,658	44,187	30.0	18
Excellus Health Plan	13.9	5,698	3,586	13,176	22,460	15.2	9
GHI HMO	2.8	849	775	990	2,614	1.8	-36
GHI EPO	4.3	3,100	450	3,239	6,789	4.6	8
HIP	4.9	1,896	1,009	2,883	5,788	3.9	-19
Health Net of New York	0.3	209	99	351	659	0.4	68
HealthNow New York	4.4	1,237	951	2,583	4,771	3.2	-27
Independent Health	5.5	1,796	1,060	5,201	8,057	5.5	0
Managed Health	0.8	103	115	852	1,070	0.7	-4
MDNY HealthCare	1.3	341	427	1,015	1,783	1.2	-8
MVP Health Plan	8.8	5,125	2,272	3,608	11,005	7.5	-15
Oxford Health Plans	10.3	5,616	1,620	7,540	14,776	10.0	-3
Preferred Care	1.0	131	122	635	888	0.6	-38
Total Statewide Enrollment		46,002	23,390	78,138	147,530		
Percent of Total Statewide Enrollment		31	16	53	100		

Although no health plans saw a net decrease in their enrollment, a number of plans did experience a significant decrease in the size of their market share. The largest drops in market share were experienced by Preferred Care (-38 percent), GHI HMO (-36 percent) and HealthNow New York (-27 percent). However, it should be noted that all three of these plans rank lower in terms of overall enrollment. Only two health plans with a percentage of total statewide enrollment above 5 percent saw a decrease in their overall market share in 2007. Oxford Health Plan's enrollment is 10 percent of the total statewide enrollment, however, Oxford experienced a 3 percent decrease in total market share in 2007. MVP, which has 7 percent of the total statewide enrollment, experienced a 15 percent decrease in market share. Finally, Aetna experienced a 16 percent decrease in market share while still accounting for 6 percent of the total statewide enrollment.

Enrollment Growth and Distribution by County and Area

Enrollment Growth

Fifty-six of New York's 62 counties experienced growth in their enrollment numbers from July 2006 to June 2007. Cayuga, Columbia, Hamilton, Madison and Wayne Counties experienced a decline in their Healthy NY enrollment, while enrollment stayed the same in Fulton County. All of these counties are small, each having less than 1,000 Healthy NY members. Madison experienced the largest decline; losing 6.6 percent of its enrolled population.

For 2007, there were no counties with enrollment growth of 50 percent or more. This is in contrast to last year, when seven counties had enrollment growth of 50 percent or more and in 2005, when forty-eight counties experienced that rate of growth. Chemung and Tompkins Counties, both located in the Syracuse area, experienced the largest increase in enrollment with a 35 percent increase. All of the counties with 25 percent or greater growth were small upstate counties with less than 1,500 Healthy NY members.

The total increase in Healthy New York membership from July 2006 to June 2007 was 15 percent. Table II-8 shows the Healthy NY membership increases by area and we can see that no area had less than a ten percent growth rate. The largest membership increases occurred in the New York City (20 percent) and Long Island (18 percent) areas, just as they did last year. However, the rate of growth was much smaller than 2006 as both areas saw 42 percent growth rates last year. The Buffalo and Albany areas were the two slowest growing areas in terms of membership in 2006. Membership growth in these areas picked up during 2007 as they recorded the third and fourth highest increase in membership during 2007. Buffalo experienced a 15 percent increase and Albany experienced a 14 percent increase. Rounding out the top five was the Syracuse area, also with a 14 percent increase. Appendix B includes a map of the counties by area.

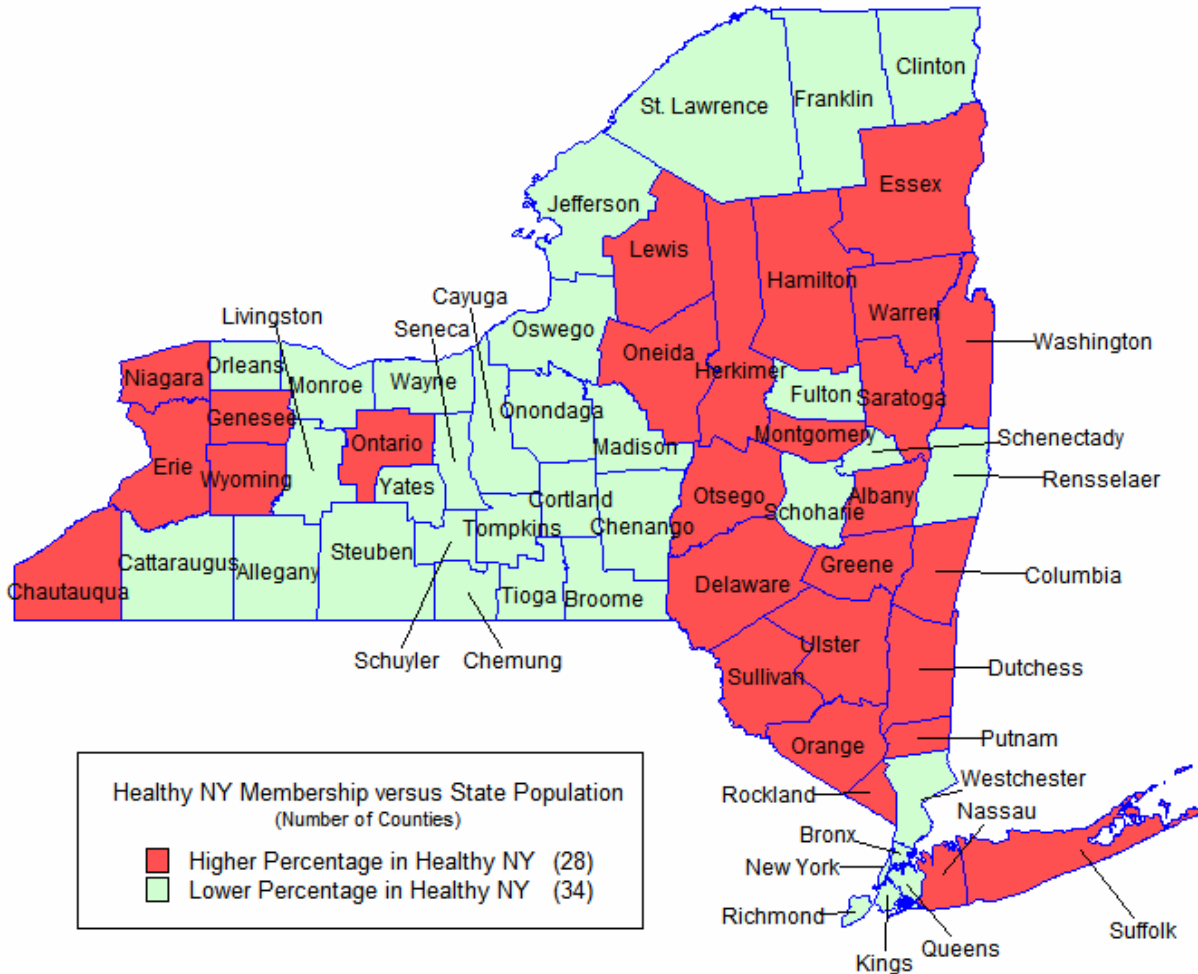
Table II-8: Healthy New York Membership Increase by Area

Area	Healthy New York Membership		
	July 2006	June 2007	Percent Increase
NYC Proper Area	28,932	34,592	20
Long Island Area	27,020	31,797	18
Buffalo Area	14,199	16,379	15
Albany Area	13,981	15,943	14
Syracuse Area	5,725	6,498	14
Westchester Area	9,268	10,291	11
Utica/Watertown Area	5,707	6,312	11
Rochester Area	7,017	7,727	10
Out-of-State	799	879	10
Mid-Hudson Area	13,486	14,780	10
Statewide	126,134	145,198	15

Distribution of Enrollment by County

Figure II-4 displays a county map of New York that indicates whether the county has a higher or lower percentage of the Healthy NY membership as of June 2007 versus its percentage of the state population as of July 2006. The counties with a lower percentage of the Healthy NY population in comparison to its percentage of the overall state population are concentrated in the New York City, Rochester, Syracuse and Utica/Watertown areas of the state. In contrast to 2006, four counties in the Rochester area (Livingston, Monroe, Seneca and Wayne) that had a higher percentage in 2006 now have a lower percentage of Healthy NY members in comparison to its percentage of the overall state population. There were eight counties that went from a higher to a lower percentage for 2007, but none that did the reverse.

**Figure II-4
Comparison of Counties on June 2007 Healthy NY Membership
Versus July 2006 State Population Percentages**



As in 2005 and 2006, Suffolk County had the highest enrollment in the Healthy NY program with 17,718 members in June 2007. Nassau County followed closely in second with 14,079 members. Both Suffolk and Nassau Counties had a higher percentage of Healthy NY membership than their respective percentages of the state population. Schuyler and Hamilton Counties had less than 100 Healthy NY members, but while Schuyler had a lower percentage of Healthy NY membership than its percentage of the state population, Hamilton had a higher percentage.

Distribution of Enrollment by Area

The New York City area is once again under represented in terms of Healthy NY membership as it has a much lower percentage of Healthy NY membership (24 percent) compared to its percentage of the state population (43 percent). These figures as shown in Table II-9 are similar to those seen in 2006 when the New York City area had 23 percent of Healthy NY members and 42 percent of the total state population. A majority of this discrepancy in the New York City area can be found in Bronx County which has a population of 1,325,662 in July 2006 (7.1 percent of the state population), but only 1,902 Healthy NY enrollees in 2007 (1.3 percent of Healthy NY members).

Table II-9: Comparison of Areas of Healthy NY Membership versus State Population Percentages

Area	State Population (July 2006)		Healthy NY Membership (June 2007)	
	Data	Percent of Population	Data	Percent of Members
NYC Proper Area	8,214,426	43	34,592	24
Long Island Area	2,795,377	14	31,797	22
Buffalo Area	1,549,334	8	16,379	11
Westchester Area	1,244,320	6	10,291	7
Albany Area	1,205,774	6	15,943	11
Mid-Hudson Area	1,191,225	6	14,780	10
Syracuse Area	1,140,756	6	6,498	5
Rochester Area	1,051,678	5	7,727	5
Utica/Watertown Area	913,293	5	6,312	4
Totals	19,306,183		144,319	

The Long Island (8 percent), Albany (5 percent), Mid-Hudson (4 percent) and Buffalo (3 percent) areas all have a higher percentage of statewide Healthy NY enrollment than their respective percentage of the total state population. The remaining areas (except for the New York City area) have a percentage of statewide Healthy NY enrollment within one percent above or below their respective percentage of the state population.

Past reports attributed the significant gap in Healthy NY membership versus state population share in New York City to the fact that membership in New York City lagged behind the rest of the state in its inaugural years and had only recently begun to catch up. The share of Healthy NY members in the New York City area has steadily increased from 2004 to 2007. However, as seen in Table II-10, the New York City area's share of Healthy NY Membership only increased by one percent from July 2006 to June 2007 even though enrollment in the New York City area increased by 20 percent over the same time period. This small increase in membership percentage occurred because all areas of the state had at least a ten percent enrollment increase from the previous year. As a result of these similar enrollment increases in 2007, all Healthy NY areas either had the same share of total membership, or were within one percent above or below the 2006 numbers. No single area lost or gained a significant share of Healthy NY membership during 2007.

Table II-10: Healthy NY Membership Trends by Area

Area	Percent of Healthy New York Membership			
	July 2004	July 2005	July 2006	July 2007
NYC Proper Area	17	21	23	24
Long Island Area	20	20	21	22
Buffalo Area	16	13	11	11
Albany Area	15	12	11	11
Mid-Hudson Area	12	11	11	10
Westchester Area	5	7	7	7
Rochester Area	4	6	6	5
Syracuse Area	5	5	5	4
Utica/Watertown Area	5	5	5	4
Out-of-State	0	1	1	1

High Deductible Health Plan Enrollment

Beginning January 1, 2007, health plans participating in Healthy NY were required to offer a high deductible health plan (HDHP) option. However, few have enrolled in this option. As of May only 624 members had enrolled in a HDHP or less than one-half of one percent of the total membership. Some plans have more members enrolling in the HDHP option (see Table II-11), while three plans (CIGNA Healthcare, GHI HMO and Health Net) have no HDHP members.

Table II-11: HDHP Healthy NY Membership by Health Plan as of May 2007

Health Plan	HDHP Enrollment	Percent of Total HDHP Enrollment
Aetna Health Inc.	51	8
Atlantis Health Plan	10	2
CDPHP	56	9
CIGNA Healthcare	0	0
Empire HealthChoice	72	12
Excellus Health Plan	64	10
GHI HMO	0	0
GHI EPO	30	5
HIP	43	7
Health Net of New York	0	0
HealthNow New York	72	12
Independent Health	86	14
Managed Health	4	1
MDNY HealthCare	55	9
MVP Health Plan	54	9
Oxford Health Plans	16	3
Preferred Care	11	2
Totals	624	100

The largest Healthy NY plans are not the ones with the most HDHP members. Independent Health has only 5.5 percent of the total Healthy NY enrollment, but 14 percent of HDHP members, while HealthNow New York has 3.2 percent of the total Healthy NY enrollment, but 12 percent of HDHP members. While both Empire and Excellus Health Plan have 10 or more percent of HDHP members, their percentage of HDHP enrollment is lower than their percentage of the total Healthy NY enrollment.

Enrollment by Prescription Drug Option

Beginning in 2003, Healthy NY members had the option to exclude prescription drug benefits from their coverage package. In 2007, the choice to exclude prescription from the benefit package yields an average savings of nearly \$35 off the premium. However, as Table II-12 shows only 19 percent of all statewide members choose this option as of May 2007, down from 21 percent in November 2006.

Table II-12: Individual Plan Enrollment by Prescription Drug Option as of May 2007

Health Plan	Number of Individual Plans With Rx	Number of Individual Plans W/O Rx	Percent without Rx Benefits
Aetna Health Inc.	7,624	2,223	23
Atlantis Health Plan	1,701	434	20
CDPHP	4,677	1,320	22
CIGNA Healthcare	4,778	15	0
Empire HealthChoice	34,172	5,096	13
Excellus Health Plan	13,106	7,774	37
GHI HMO	2,257	675	23
GHI EPO	5,212	1,302	20
HIP	5,170	721	12
Health Net of New York	512	123	19
HealthNow New York	3,952	1,135	22
Independent Health	6,302	1,318	17
Managed Health	973	147	13
MDNY HealthCare	1,418	275	16
MVP Health Plan	9,401	1,799	16
Oxford Health Plans	12,450	1,667	12
Preferred Care	562	324	37
Statewide	114,267	26,348	19

Excellus Health Plan and Preferred Care have the largest percentage of members choosing the non-prescription drug benefit option at 37 percent for each plan. No other plan had more than 23 percent of its members choosing this option. Only 15 CIGNA members do not have prescription drug benefits, by far the lowest total and percentage of all health plans.

Members who choose the HDHP option also have the option exclude prescription drug benefits from their coverage package. As shown in Table II-13, there was a noticeable difference in prescription drug coverage between members choosing the HDHP option as nearly half (47 percent) of HDHP members chose to exclude prescription drug benefits from their Healthy NY package. This finding is not surprising since lower premium costs is a reason why people choose to enroll in a high deductible plan in the first place and excluding prescription drugs is another way to save on monthly premiums.

Table II-13: HDHP Enrollment by Prescription Drug Option as of May 2007

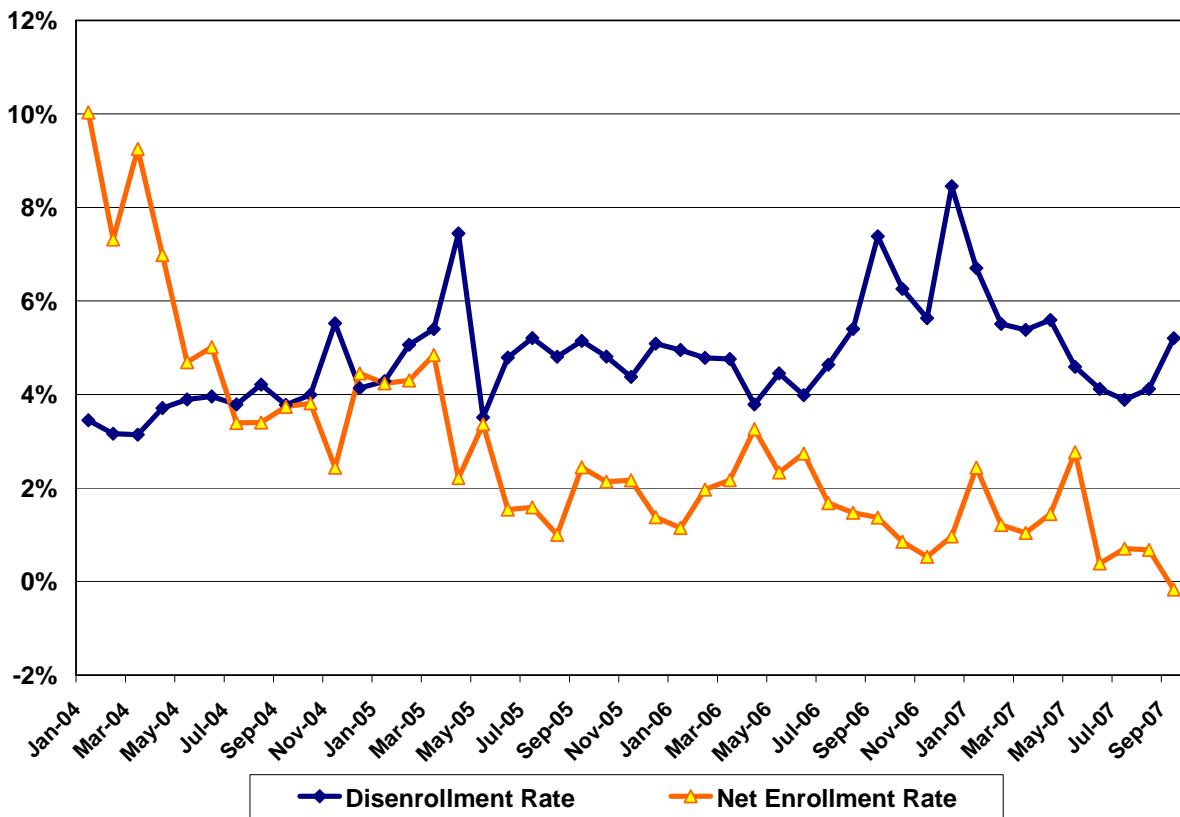
Health Plan	Number of HDHP with Rx	Number of HDHP without Rx	Percent without Rx Benefits
Aetna Health Inc.	44	7	14
Atlantis Health Plan	2	8	80
CDPHP	18	38	68
CIGNA Healthcare	0	0	0
Empire HealthChoice	17	55	76
Excellus Health Plan	49	15	23
GHI HMO	0	0	0
GHI EPO	7	23	77
HIP	36	7	16
Health Net of New York	0	0	0
HealthNow New York	39	33	46
Independent Health	58	28	33
Managed Health	2	2	50
MDNY HealthCare	27	28	51
MVP Health Plan	31	23	43
Oxford Health Plans	0	16	100
Preferred Care	0	11	100
Statewide	330	294	47

Healthy NY Disenrollment Trends

As seen in Figure II-5, disenrollment figures from the Healthy NY program continue to be at levels higher than the enrollment rate. However, this does not mean that Healthy NY is losing more members than it is gaining, as members who change health plans are counted in the disenrollment figures, but not the net enrollment. Disenrollment in 2007 reached a high with 6.7 percent in January and had a low of 3.9 percent in July.

Through September, the average monthly net enrollment rate for 2007 was 1.2 percent. As seen over the last few years, the net enrollment rate continued its downward trend. The highest month for net enrollment in 2007 was in May, with 2.8 percent. For the first time since the beginning of the Healthy NY program, the net enrollment figures moved into the negative numbers. In September 2007, the net enrollment rate was negative 0.2 percent.

Figure II-5
Healthy NY Disenrollment and Net Enrollment Rate Trends

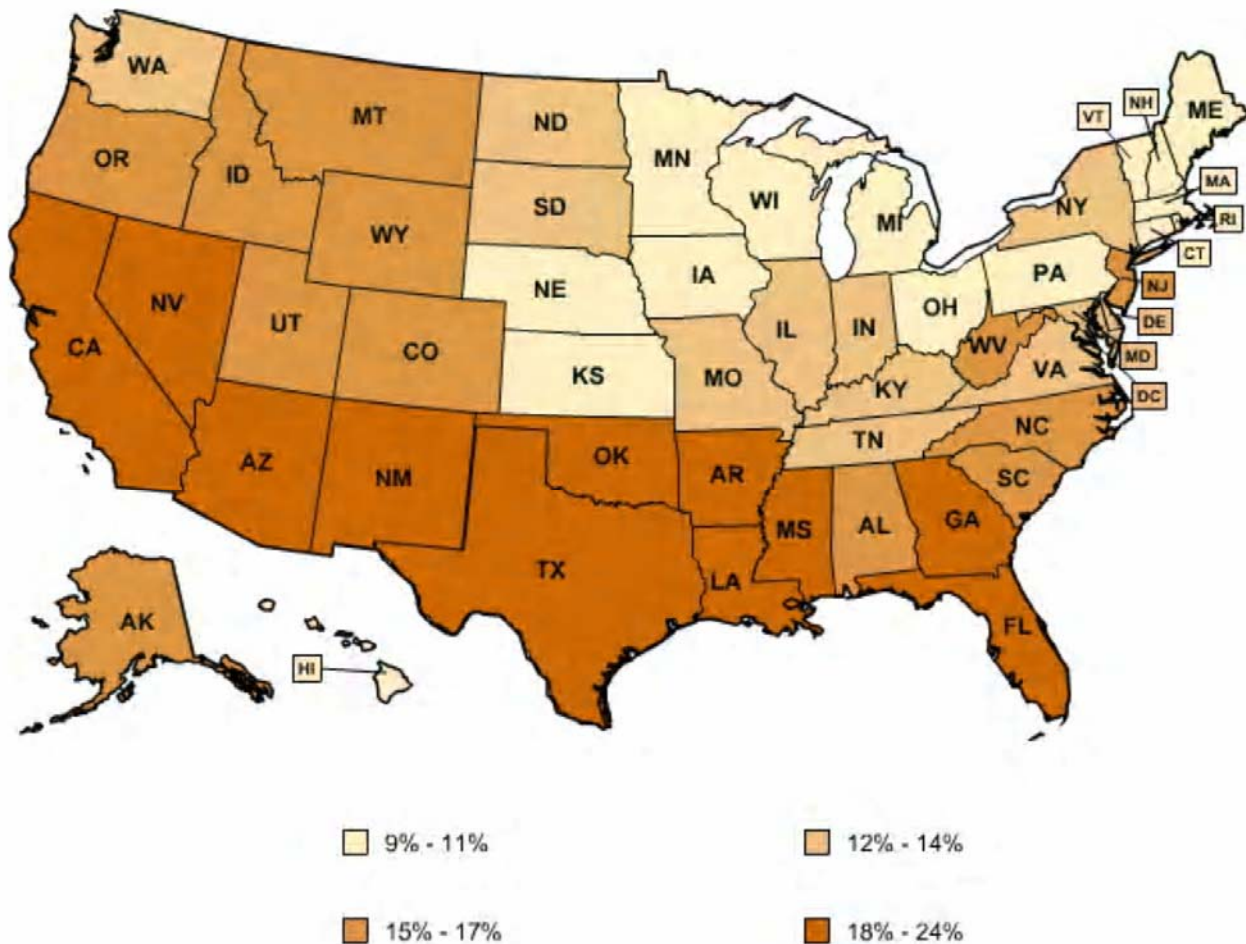


Healthy NY and the Uninsured

Recent reports have estimated that in 2006, nearly 47 million Americans were uninsured³. The percentage of uninsured Americans in 2006 stabilized at 15.9 percent, the same percentage as 2005 and up slightly from 15.8 percent in 2004.

Figure II-6 illustrates the distribution of uninsured Americans by state. The Northeast and the Mid-Atlantic regions generally have the lowest, or next to lowest uninsured rates in the U.S. with New York having one of the higher uninsured populations in the Northeast region.

Figure II-6
Uninsured Population Percentages by State⁴



³ The Kaiser Family Foundation, statehealthfacts.org. Data Source: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2006 and 2007 Current Population Survey (CPS: Annual Social and Economic Supplements).

⁴ The Kaiser Family Foundation, statehealthfacts.org. Health Insurance Coverage of the Total Population, states (2005-2006), U.S. (2006) (available at: <http://www.statehealthfacts.org/comparemapdetail.jsp?ind=125&cat=3&yr=1&typ=2&cha=156>)

The state's percentage of uninsured residents is lower than the national average. In 2005-2006, New York ranked 24th in terms of uninsured population with nearly 2.6 million (13.5 percent) uninsured. According to the most recent United States Census Bureau's Current Population Survey (CPS), the uninsured rate of all New York residents has decreased during the existence of the Healthy NY program from 15.0 percent in 2001 to 14.0 percent in 2006. At the same time, the uninsured rate of all Americans increased from 14.1 percent to 15.8 percent.⁵ As mentioned in previous reports, the U.S. average surpassed the New York rate for the first time in 2003, two years after the introduction of Healthy NY and the New York state uninsured rate has continued to be lower than the U.S. average since that time.

Low-income adults are among the most likely to go without health coverage and to fit the Healthy NY program design motto of "providing comprehensive health insurance to those citizens who need it most." The Health and Human Services Guidelines⁶ defines poverty as annual incomes below 100 percent the Federal Poverty Level (FPL). The federal government considers a family of four to be below 100 percent of the FPL if their combined income was less than \$18,850 in 2004, \$19,350 in 2005 and \$20,000 for 2006. As we will see later on in the report, almost half of Healthy NY members make less than \$20,000.

Healthy NY plays a role in reducing the percentage of low-income New Yorkers without health insurance. In comparison to the national average, the state has a much smaller percentage of uninsured residents making less than 100 percent of the FPL and 100 to 199 percent of the FPL. New York ranks 8th in terms of state residents making less than 100 percent of the FPL who are uninsured at 28 percent, compared with 36 percent nationally. Among residents making 100 to 199 percent of the FPL, New York ranks 18th, 24 percent are uninsured versus 30 percent nationally.

Without Healthy NY⁷, the number of New York residents without health insurance for 2005-2006 would rise to over 2.7 million and the percentage of uninsured New Yorkers would increase nearly one full percentage point to 14.3 percent.

⁵ Current Population Survey, US Census Bureau, Historical Health Insurance Table HI-4: Health Insurance Coverage Status and Type of Coverage by State, <http://www.census.gov/hhes/www/hlthins/historic/hihist4.html>

⁶ *Federal Register*, Vol. 71, No. 15, January 24, 2006, pp. 3848-3849.

⁷ These data for uninsured New Yorkers without Healthy NY assumes that all 147,530 Healthy NY members as of October 1, 2007 would not have health insurance.

CHAPTER III

HEALTHY NY PREMIUM AND FINANCIAL DATA

Introduction

On average, Healthy NY premiums increased by 13 percent from July 2006 to June 2007⁸. This increase was higher than the eight percent increase from July 2005 to July 2006, but is still lower than the 19 percent average premium change experienced July 2004 to July 2005.

Prior to 2006, premium levels were not always a motivator in members' selection of a Healthy NY health plan. Last year, it appeared that price was becoming a greater motivator for plan selection than in previous years. The trend towards more price-based decisions for plan selection appears to continue this year as more enrollees chose to enroll in the less expensive health plans.

The first part of this chapter will provide an overview of premiums by health plan, county and area and will examine how changes in premium levels have affected program enrollment growth. The sections of this part of the chapter include:

- Healthy NY premium changes
- A comparison of enrollment across premium ranges
- Health plan offerings divided into ranks based on cost differences
- Premium selection trends in New York City
- Enrollment growth and its relation to premium changes by county, area and health plan
- A comparison of Healthy NY premiums with individual market premiums

The second part of the chapter analyzes financial data for 2006 that Healthy NY health plans reported to the Department of Insurance. In 2006, the overall medical loss ratio (MLR) for Healthy NY health plans declined and the number of members reaching the stop-loss threshold for claims reimbursement by the state increased. The data analyzed in the second part of the chapter includes:

- Both adjusted and unadjusted MLRs for the program
- Stop-loss reimbursement payments

⁸ The increase percentage varies by the method of measurement. The weighted average premium increased by 12 percent, while the unweighted premium increased by 13 percent.

Methodology

Healthy NY members have a choice of four contract types (individual, member with spouse, member with child, and family). Additionally, members have the option of including a pharmacy benefit option for each of the four contract types as well as enrolling in a high deductible health plan (HDHP). The HDHP is a new option for 2007. These options provided members with a choice of 16 possible premiums per health plan in 2007.

This year, as in previous reports, EP&P used the individual premium with the pharmacy benefit option as the basis for comparison since most enrollees choose this option, it is a good proxy for the entire program and has enough enrollees to show differences across health plans and counties. Plans report their enrollment by county to the Department and the most recent data for all health plans available for this analysis is from June 2007.⁹

Changes in Healthy NY Premiums

The average unweighted Healthy NY premium went up by 13 percent from July 2006 to June 2007 and all but one plan increased its rates. In previous years, more plans did not increase their rates. In 2006, three plans kept their rates the same, one plan decreased their rates and the remaining 16 plans increased their rates. In 2005, 15 plans increased their rates, five kept their rates the same and only Empire lowered their premium rates. In 2004, only five plans increased their rates and the rest either lowered their premiums or they remained the same.

As can be seen in Table III-1, CIGNA Healthcare had the largest premium increase for 2007 of 27 percent, while Empire and Aetna each had an average increase of 23 percent in their rates. In addition to Managed Health, which did not increase their rates in 2007, seven other plans increased their premiums less than 10 percent.

⁹ The most recent enrollment by county data available for all health plans is from June 2007. Previous reports used July data however this data was not available for 2007.

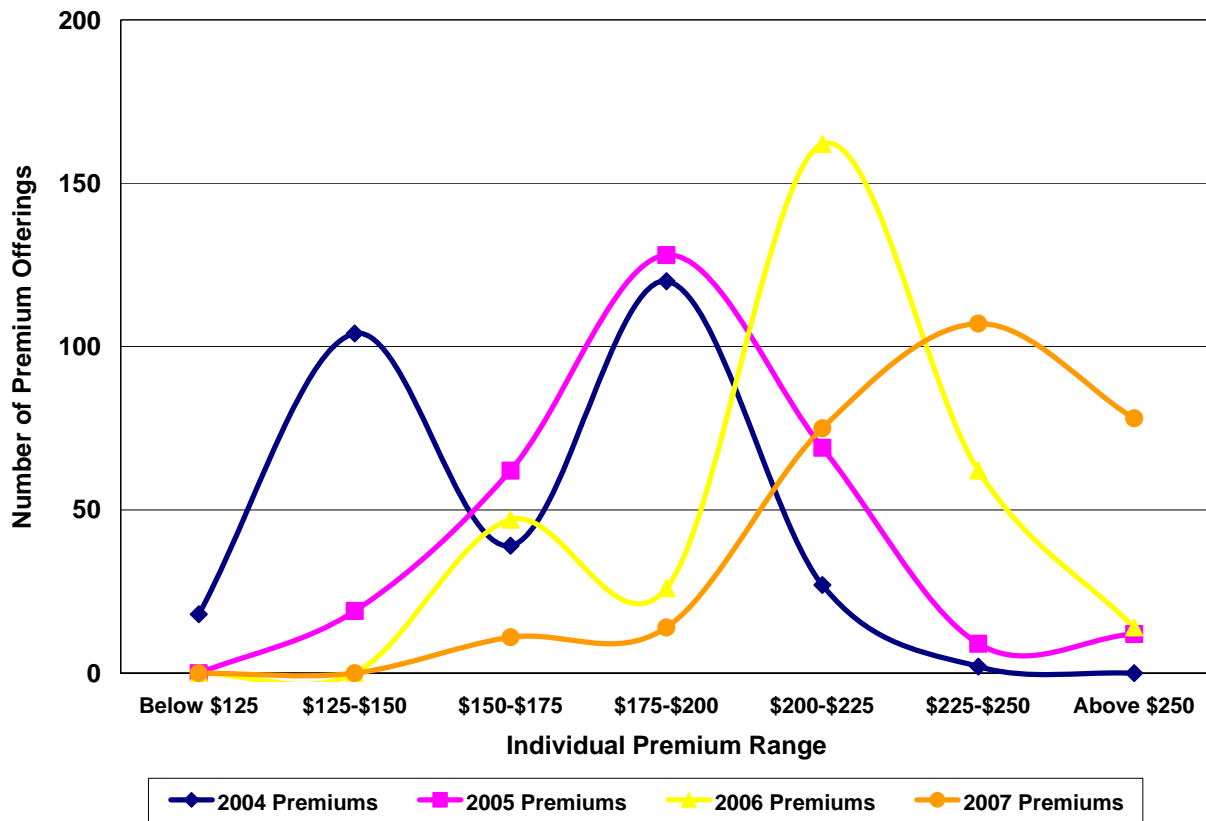
Table III-1: Average Percent Change in Individual Premiums with Pharmacy Benefit from July 2006 to June 2007

Health Plan	Average Premium Change Percentage
Aetna Health Inc.	23
Atlantis Health Plan	15
CDPHP	6
CIGNA Healthcare	27
Empire HealthChoice	23
Excellus Health Plan	9
GHI HMO	22
GHI EPO	14
Health Net of New York	3
HealthNow New York	18
HIP	7
Independent Health	16
Managed Health	0
MDNY HealthCare	12
MVP Health Plan	8
Oxford Health Plans	8
Preferred Care	5
Statewide	13

Healthy NY individual with pharmacy benefit premiums began to stabilize around a common mean in 2005 and 2006 and this continues in 2007, although the common mean has increased throughout the years. The premium distribution in 2007 has a spike in the \$225 to \$250 premium range. The 2006 distribution had one central spike in the \$200 to \$225 premium range, where over half of the premium offerings fell. In 2005, the one central spike was in the \$175 to \$200 premium range. In 2004, the premium distribution had two distinct peaks, one in the \$125 to \$150 premium range and a second one in the \$175 to \$200 premium range. Regional price

disparity caused the 2004 bimodal distribution as premiums in the New York City, Long Island and Westchester areas were much higher than premiums in the rest of the state. Exhibit III-1 clearly shows the movement from 2004 to 2007 in the price distribution of Healthy NY premiums. The movement from a lower to a higher premium is attributable to the fact that health plans are no longer offering the lower priced plans at the same volume as in previous years. In fact, no health plan offers individual plans with a pharmacy benefit below \$150 in 2007 and there are only 25 offerings for less than \$200 per month.

Figure III-1
Price Distribution of Healthy NY Premiums for Individuals
with Pharmacy Benefit for Past Four Years



Weighted premiums increased in every area of the state as seen in Table III-2. Most areas experienced a fairly significant increase in the average weighted premiums, especially when compared to the amount of change seen in the previous year. A number of areas experienced an increase in its average weighted premiums for individuals with a pharmacy benefit that was more than twice as large as the previous year's increase. The Long Island (five percent in 2006 and 20 percent in 2007), New York City (6 percent in 2006 and 17 percent in 2007) and Westchester (8 percent in 2006 and 25 percent in 2007) areas all saw these large increases. The only areas that experienced a smaller, or similar, increase as in the previous year were in the upstate portion of the state: Rochester (eight percent increase in 2006 and six percent increase in 2007); Utica/Watertown (nine percent increase in 2006 and eight percent increase in 2007); and

Syracuse (10 percent increase in both 2006 and 2007). Premiums in the Albany area went up only two percent in 2007, less than its 2006 increase of eight percent.

Table III-2: Average Weighted Premium for Individuals with Pharmacy Benefit by Area

Area	July 2004	July 2005	July 2006	June 2007	Percent Change 2004-2005	Percent Change 2005-2006	Percent Change 2006-2007
Albany Area	\$119.50	\$184.34	\$198.53	\$203.44	54	8	2
Buffalo Area	111.97	152.38	162.74	184.99	36	7	14
Long Island Area	183.90	206.45	216.53	258.75	12	5	20
Mid-Hudson Area	152.92	191.33	209.33	243.99	25	9	17
NYC Proper Area	217.70	202.09	213.97	250.31	-7	6	17
Rochester Area	118.25	161.27	174.78	185.03	36	8	6
Syracuse Area	157.71	197.40	216.26	237.45	25	10	10
Utica/Watertown Area	111.97	191.53	209.44	226.50	71	9	8
Westchester Area	235.10	198.70	214.57	267.85	-15	8	25
Statewide	\$159.16	\$189.53	\$204.14	\$229.55	19	8	12

Table III-2 also demonstrates that the differences in Healthy NY premiums between different regions of the state are not nearly as dramatic as in 2004, but higher than in the two previous years. In 2004, the average weighted premium in the highest cost region (Westchester) was \$235.10, which was over twice as much as the average weighted premium of \$111.97 in the lowest cost regions (Buffalo and Utica/Watertown). Westchester is still the highest cost region in 2007 and Buffalo is the lowest cost region, however the average weighted premium for Westchester is only 45 percent higher than the average weighted premium in Buffalo. The differences between the highest and lowest average weighted premiums in 2006 was 33 percent and for 2005, the difference was 35 percent. Individual county level premium data for 2007 can be found in Appendix C.

Health Plan Offerings

Competition, or decreasing competition, is one of the factors that can affect the types and number of premiums available. Due to several mergers in 2006, the number of health plans offering Healthy NY decreased from 21 in 2006 to 17 in 2007. Correspondingly, the number of health plan offerings¹⁰ also decreased, from 311 in 2006 to 285 in 2007. This information is especially interesting when compared to the previous year's data. Competition among Healthy NY plans increased slightly from 2005 to 2006. During this time the number of health plans offering Healthy NY stayed the same at 21, but the number of health plan offerings increased from a total of 300 in 2005 to 311 health plan offerings in 2006.

For 2007 the average number of health plan offerings per area decreased from 5.0 to 4.6. The New York City and Long Island areas continued to have the most health plans offered in their regions despite experiencing a decrease in the average number of health plan offering from 11.4 to 10.0 and 11.0 to 9.5 respectively. The Westchester area also saw a decrease in number of plans offered. As opposed to last year when the number of health plan offerings increased everywhere except in Long Island, the number of health plan offerings actually decreased in every area in 2007 except for Albany and Rochester, where the numbers remained the same (4.9 and 2.3), as shown in Table III-3.

Table III-3: Number of Health Plans Offered per County by Area

Area	July 2004	July 2005	July 2006	July 2007
Albany Area	4.9	4.9	4.9	4.9
Buffalo Area	4.0	3.9	3.9	3.8
Long Island Area	12.0	12.0	11.0	9.5
Mid-Hudson Area	6.6	6.3	6.8	6.1
NYC Proper Area	11.6	11.2	11.4	10.0
Rochester Area	2.3	2.1	2.3	2.3
Syracuse Area	3.0	2.6	2.8	2.6
Utica/Watertown Area	2.8	2.8	3.0	2.6
Westchester Area	9.0	10.0	10.5	8.5
Total	5.0	4.9	5.0	4.6

¹⁰ The definition of health plan offering is every unique health plan that offers Healthy NY in a specific county.

Premiums and Enrollment Overview

There is mixed evidence regarding the connection between premiums and enrollment in 2007. In 2006, there was more evidence of price-based plan selection than in previous Healthy NY annual reports, when there was some evidence that enrollees were choosing premiums based on price and some evidence to the contrary.

Table III-4 shows the distribution of non-small business enrollees and premiums for individuals with pharmacy benefit premiums for 2007. This total enrollment and plan offerings data shows the roughly the same percentage of Healthy NY enrollees enrolled in plans with monthly premiums over \$225 per month as the percentage of plan offerings in that range. Appendix D has the number of offerings by year for the past four years. The 2006 data in Appendix D shows a shift in 2006 with a higher percentage of enrollees in plans offering a premium under \$200 than the percentage of plans health plan offerings in that range. The 2004 and 2005 data are similar to the 2007 data and do not show a dramatic difference in percentage of total enrollment and percentage of health plan offerings by monthly premium ranges.

Table III-4: Non Small Business Enrollment and Health Plan Offerings for 2007

Monthly Premium Corridor	Total Enrollment	Percent of Enrollment	Health Plan Offerings	Percent of Health Plan Offerings
Below \$125	0	0	0	0
\$125-\$150	0	0	0	0
\$150-\$175	4,307	4	11	4
\$175-\$200	11,554	12	14	5
\$200-\$225	20,232	20	75	26
\$225-\$250	48,166	48	107	38
Above \$250	16,181	16	78	27
Total	100,440	100	285	100

In 2007, a larger percentage of non-small business enrollees (48 percent) were found in the \$225-\$250 price range while only 38 percent of the health plan offerings were found in this range. Combined, 64 percent of enrollees were enrolled in health plans with premiums above \$225 and health plan offerings with premiums set at this level and above accounted for 65 percent of all offerings.

Offered Premiums and Choices between Health Plans

EP&P ranked individual premiums with pharmacy benefit from least expensive to most expensive in each county to compare the price of the premiums offered by different health plans in different counties. This modified system assigns equal ranking for plans that have premiums similar in price. This system does not merely use a traditional rank-ordering system, but distinguishes between premiums that differ by more than ten percent, which is assumed to be a meaningful difference. Each premium is compared to the least expensive premium in each county and placed in one of five categories, based on the markup one would be paying for that premium over the least expensive premium available in the county. For example, MVP Health Plan's \$265.65 premium in Dutchess County (as seen in Appendix C) is \$47 more expensive than Empire's, the least expensive option, and represents a 22 percent markup in price, placing MVP in Rank 3. Only Empire falls into Rank 1 in Dutchess County since Empire has the lowest premium (\$218.56) and all other premiums in the county are more than 10 percent higher.

Table III-5 shows the results of our rankings by health plan with all 2007 Healthy NY premiums for health plans with Healthy NY members across counties with more than one plan offering shown.

**Table III-5: Average Rank in County of Offered Premiums by Health Plan
2007 Premiums for Individuals with Pharmacy Benefit¹¹**

Health Plan	Rank 1 Within 10 Percent of Least Expensive	Rank 2 10 to 20 Percent of Least Expensive	Rank 3 20 to 30 Percent of Least Expensive	Rank 4 30 to 40 Percent of Least Expensive	Rank 5 40 Percent or more of Least Expensive	Total Counties Served	Average Rank in Counties Served
Aetna Health Inc.	0	7	12	0	0	19	2.6
Atlantis Health Plan	5	0	0	0	0	5	1.0
CDPHP	11	4	6	2	1	24	2.1
CIGNA Healthcare	0	2	9	0	0	11	2.8
Empire HealthChoice	28	0	0	0	0	28	1.0
Excellus Health Plan	44	0	0	0	0	44	1.0
GHI HMO	1	3	16	8	0	28	3.1
GHI EPO	9	0	0	0	0	9	1.0
Health Net of NY	0	3	9	0	0	12	2.8
HealthNow New York	0	15	8	0	2	25	2.6
HIP	2	8	0	0	0	10	1.8
Independent Health	5	3	0	0	0	8	1.4
Managed Health	7	0	0	0	0	7	1.0
MDNY HealthCare	0	1	0	0	0	1	2.0
MVP Health Plan	15	13	4	0	0	32	1.7
Oxford Health Plans	2	12	0	0	0	14	1.9
Preferred Care	0	0	7	3	0	10	3.3
Total	122	71	71	13	3	280	1.9
Percent of 2007 Total	45	25	25	5	1	100	

¹¹ Franklin, Schuyler, Steuben, St. Lawrence and Tompkins Counties are not included in this analysis since they only have one plan with Healthy NY enrollment.

Table III-5 indicates wide variation between the premiums being offered by different health plans. Five health plans (Atlantis, Empire, Excellus, GHI EPO and Managed Health) have an average rank of 1.0 indicating they are always in Rank 1 and are either the least expensive premium in the county or are within 10 percent of the least expensive. Preferred Care had the highest average rank with 3.3. Overall, ten plans had an overall average rank of 2.0 or lower and seven plans had an average rank above 2.0.

There are more plans in Rank 1 in 2007 than in 2006, but still not as many as there were in 2005. Forty-five percent of the health plans have either the lowest premium or are within 10 percent of the least expensive premium in the county for 2007, while one-quarter fall into Rank 2 and Rank 3. There are far fewer plans, only 6 percent in 2007, with premiums 30 percent higher or more than in 2006 when 16 percent fell into this category. Table III-6 shows the percentage in each ranking category for the past four years.

Table III-6: Percent of Plans in Ranks by Year

Year	Rank 1 Within 10 Percent of Least Expensive	Rank 2 10 to 20 Percent of Least Expensive	Rank 3 20 to 30 Percent of Least Expensive	Rank 4 30 to 40 Percent of Least Expensive	Rank 5 40 Percent or more of Least Expensive
2007	45	25	25	5	1
2006	40	21	23	12	4
2005	56	22	13	6	3
2004	39	23	24	12	2

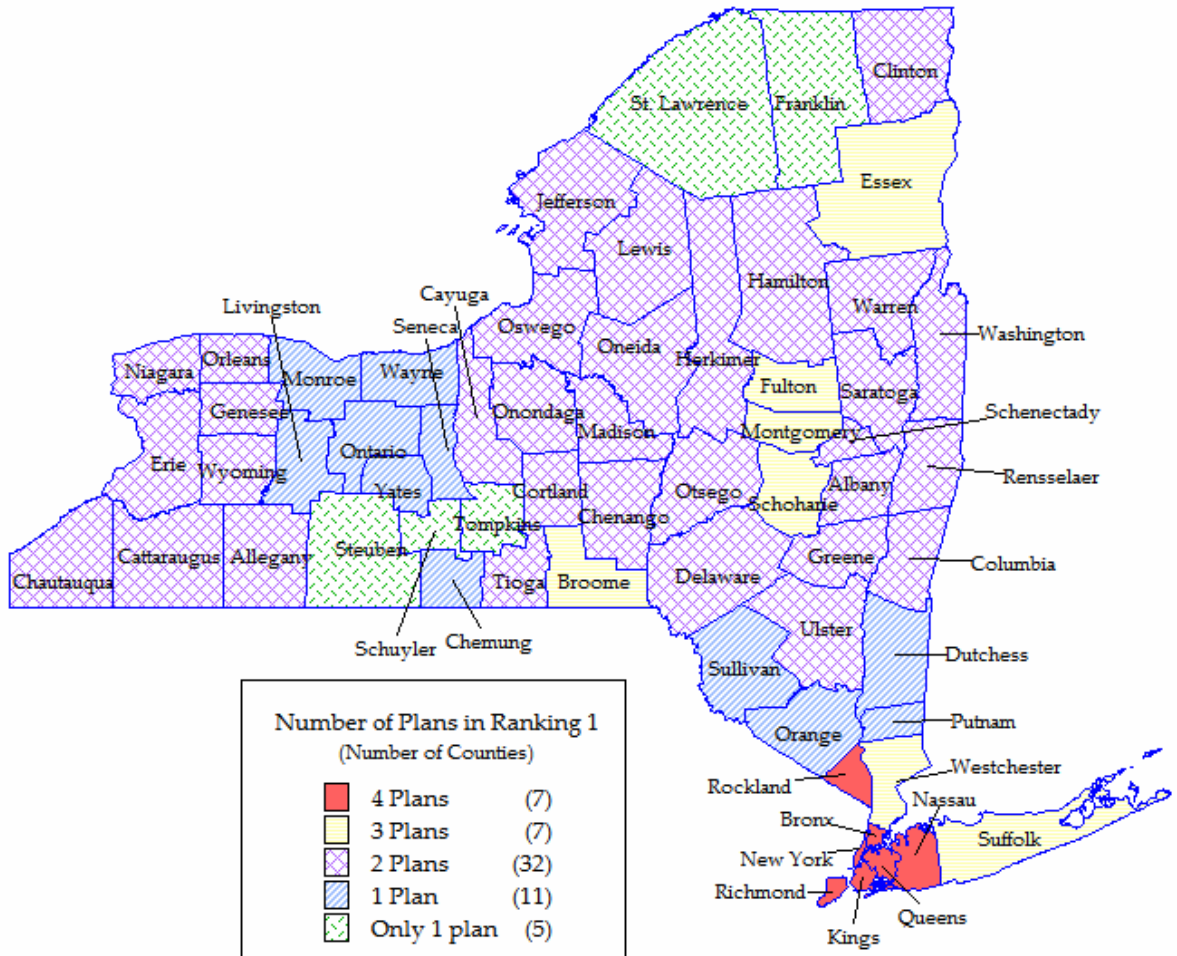
Enrollees in some counties have less plan choice than enrollees in other counties. The number of plans one can choose from varies from one in Franklin, Schuyler, Steuben, St. Lawrence and Tompkins to 10 in Nassau, Suffolk, Bronx, Kings, New York, Queens and Richmond. Since survey respondents this year and last year (see Chapter V) frequently cited choice of health plan and price among their favorite aspects of the Healthy NY program, EP&P analyzed the number of counties in which enrollees have a choice of the least expensive Healthy NY plans, defined as plans falling into Rank 1. In 2007, Table III-7 appears to show continued stratification of plan choice and competitive pricing with nearly as many counties having just one plan in Rank 1 as counties with three or more plans in Rank 1. However, there appears to be a movement towards the middle of the range as the number of counties offering two plans saw the biggest increase. The distribution seen in 2007 resembles the type of distribution seen in 2004, with the majority of counties offering two plan choices in the lowest rank of offerings.

Table III-7: Competition among Health Plans in Top Rank by County

Number of Plans in Rank 1	Number of Counties with Plans in Rank 1			
	July 2004	July 2005	July 2006	July 2007
1 plan	15	9	25	11
2 plans	37	15	10	33
3 or more plans	10	33	22	13
Total Counties	62	57	57	57

There are areas of the state in which members have only one low cost price plan from which to choose, while members in other areas have more choice (see Figure III-2). Members living in Franklin, Steuben, Schuyler, St. Lawrence and Tompkins are restricted to having only one plan to choose from, while members in Bronx, Kings, Nassau, New York, Queens, Richmond and Rockland can pick from four plans in the top rank.

Figure III-2
Number of Plans in Top Ranking (within 10% of Least Expensive Plan) for Individual Premium with Pharmacy Benefit by County



Program Choice and Offered Premiums

In looking at enrollment by premium ranges, we did not see much evidence of price-based plan selection. However, when we look at the percentage of members enrolled within a Healthy NY plan within a county in the same rankings created in Table III-5, we see some evidence that suggests that Healthy NY members are becoming more price-based in their plan selection.

Two-thirds (65 percent) of members are enrolled in a plan in Rank 1, according to Table III-8 on the next page. This is a significantly higher than the 45 percent of plans that fall into Rank 1 in Table III-5. At the opposite end of the ranking scale, only 15 percent of members are enrolled in a plan in Rank 3 or higher, but 31 percent of the health plan offerings in the counties are in Rank 3 or higher.

While small business enrollees may not have a choice in health plans because they joined through a plan selected by their small business employer, they are included once again in these data, as the results are virtually identical when small business members were excluded from Table III-8. This was also true in previous years.

Table III-8: June 2007 Membership Enrollment and Average Rank of Offered Premiums by Health Plan – 2007 Premiums for Individuals with Pharmacy Benefit¹²

Health Plan	Rank 1 Within 10 Percent of Least Expensive	Rank 2 10 to 20 Percent of Least Expensive	Rank 3 20 to 30 Percent of Least Expensive	Rank 4 30 to 40 Percent of Least Expensive	Rank 5 40 Percent or more of Least Expensive	Total Enrollment	Average Rank
Aetna Health Inc.	0	2,150	8,020	0	0	10,170	2.8
Atlantis Health Plan	2,178	0	0	0	0	2,178	1.0
CDPHP	6,073	47	37	12	15	6,184	1.0
CIGNA Healthcare	0	757	4,000	0	0	4,757	2.8
Empire HealthChoice	40,112	0	0	0	0	40,112	1.0
Excellus Health Plan	21,480	0	0	0	0	21,480	1.0
GHI HMO	64	581	1,433	833	0	2,911	3.0
GHI EPO	6,618	0	0	0	0	6,618	1.0
Health Net of NY	0	315	331	0	0	646	2.5
HealthNow New York	0	2,020	3,088	0	22	5,130	2.6
HIP	124	5,756	0	0	0	5,880	2.0
Independent Health	7,414	396	0	0	0	7,810	1.1
Managed Health	1,173	0	0	0	0	1,173	1.0
MDNY HealthCare	0	1,768	0	0	0	1,768	2.0
MVP Health Plan	5,586	3,034	2,572	0	0	11,192	1.7
Oxford Health Plans	2,000	11,854	0	0	0	13,854	1.9
Preferred Care	0	0	814	97	0	911	3.1
Total	90,924	28,678	20,295	942	37	140,876	1.5
Percent of 2007 Total	65	20	14	1	0	100	

¹² Franklin, Schuyler, Steuben, St. Lawrence and Tompkins Counties are not included in this analysis since they only have one plan with Healthy NY enrollment.

Table III-9 shows the percentage of enrollment in each category of individual health plan premiums by county for the past four years. Prior to this year, the highest percentage of members in Rank 1 was 57 percent back in 2004. In 2007, this percentage is up to 65 percent. This increase in member enrollment in specific health plans in their county are the least expensive or within 10 percent of the least expensive premium in the county is an indication that more members are making a price-based selection than in the past.

Table III-9: Percent of Enrollment in Ranks by Year

Year	Rank 1 Within 10 Percent of Least Expensive	Rank 2 10 to 20 Percent of Least Expensive	Rank 3 20 to 30 Percent of Least Expensive	Rank 4 30 to 40 Percent of Least Expensive	Rank 5 40 Percent or more of Least Expensive
2007	65	20	14	1	0
2006	53	26	13	5	2
2005	50	36	10	4	1
2004	57	24	17	1	1

Table III-10 shows Healthy NY enrollment by area within the 2007 premium rankings. Price-based selection is most prominently found in the Rochester, Syracuse and Utica/Watertown area as nearly all Healthy NY members in those areas are enrolled in a health plan in the top ranking.

A smaller majority of Healthy NY members in the Long Island and New York City areas choose a health plan in the top ranking despite all of these counties having three or more of these competitively priced plans from which to choose. However, these areas now have a majority of their members in a plan falling within the first rank. In previous years, these areas had less than 50 percent of their members in the first ranking.

There also appears to be less price-based selection in the Mid-Hudson area. However, in four of the eight counties in this area, there is only one plan that falls into the top ranking. This makes it unclear if this is a true aversion by members to making their choice based solely on price or merely a lack of plans offering the lowest premiums.

Table III-10: Percent of Healthy NY June 2007 Enrollment by Area and Least Expensive Premium Rank – 2007 Premiums for Individuals with Pharmacy Benefit

Area	Rank 1 Within 10 Percent of Least Expensive	Rank 2 10 to 20 Percent of Least Expensive	Rank 3 20 to 30 Percent of Least Expensive	Rank 4 30 to 40 Percent of Least Expensive	Rank 5 40 Percent or more of Least Expensive	Total Enrollment
Albany Area	69	29	2	0	0	14,391
Buffalo Area	78	2	19	1	0	16,378
Long Island Area	52	32	15	1	0	31,778
Mid-Hudson Area	54	11	35	0	0	14,751
NYC Proper Area	55	26	18	1	0	34,588
Rochester Area	89	0	10	0	0	7,715
Syracuse Area	95	5	0	0	0	6,479
Utica/Watertown Area	97	3	1	0	0	6,284
Westchester Area	69	29	0	1	0	10,275
Total	65	20	14	1	0	142,639

In addition to gravitating towards the least expensive premium, price-based selection would also lead Healthy NY enrollees to stay away from the health plans with the most expensive premium. This analysis found that over 80 percent of Healthy NY members are in a plan that is more than \$20 less per month than the most expensive plan in their county. Only the Albany area had a significant portion of members enrolled in the most expensive health plan.

Combining our analyses, it appears that price-based selection is most prominent in the Utica/Watertown and Syracuse areas as members in these areas are gravitating towards the least expensive plans and away from the most expensive one. There also appears to be some price-based selection in the a majority of the areas (except the Mid-Hudson area) as Healthy NY members tend to be enrolled in plans within 20 percent of the least expensive, but not more than \$20 less than the most expensive.

Trends in Premium Selection in New York City

In the 2005 and 2006 reports, it was highlighted that Healthy NY members in New York City had moved away from the most expensive plans between 2004 and 2006. This movement away from the most expensive premium continued as in 2007, about half of Healthy NY members in New York City are in a plan between \$10 and \$20 of the least expensive in the county. The tables in this section use membership enrollment data from June 2007 excluding non-small business members as was done in the previous reports.

The percentage of Healthy NY members in New York City who choose a health plan that is more than \$20 higher than the least expensive plan in the county slightly decreased from 55 percent in 2006 to 45 percent in 2007, as seen in Table III-11. This is much lower than the 85 percent enrolled in the highest price category in July 2004. The number of enrollees selecting the least expensive health plan has not changed much over the past four years.

Table III-11: New York City Enrollment by Cost Difference from Least Expensive Plan – Premiums for Individuals with Pharmacy Benefits

Monthly Premium Cost	Percent of Non-Small Business Members with Premiums			
	July 2004	July 2005	July 2006	June 2007
Least Expensive in County	5	5	5	6
Within \$10 of Least Expensive in County	2	14	35	2
\$10 - \$20 of Least Expensive in County	7	36	5	47
More than \$20 Higher Than Least Expensive in County	86	45	55	45
Total	100	100	100	100

The movement from 2006 to 2007 was largely from enrollees moving from plans with premiums within \$10 of the least expensive to between \$10 and \$20 of the least expensive health plan. In 2006, 35 percent were enrolled in plans within \$10 of the least expensive in the county and 5 percent were enrolled in plans within \$10-\$20 of the least expensive. However, in 2007 these numbers reversed as only two percent were enrolled in plans within \$10 of the least expensive and 47 percent were enrolled in plans within \$10-\$20 of the least expensive.

While almost half of Healthy NY enrollees in New York City are spending more than \$20 per month above the least expensive premium, Table III-12 shows that very few members are choosing the most expensive plan, or even a plan that is close to the most expensive. Only three percent of enrollees in 2007 chose the most expensive plan and four percent chose a plan within

\$10 of the most expensive in the county. These results are similar to the findings from the past two reports. This was not the case back in 2004 as 38 percent of Healthy NY members in New York City chose a plan that was the most expensive, or within \$10 of the most expensive plan.

Table III-12: New York City Enrollment by Cost Difference from Most Expensive Plan – Premiums for Individuals with Pharmacy Benefits

Monthly Premium Cost	Percent of Non-Small Business Members with Premiums			
	July 2004	July 2005	July 2006	June 2007
Most Expensive in County	1	6	1	3
Within \$10 of Most Expensive in County	37	0	4	4
\$10 - \$20 of Most Expensive in County	27	0	5	0
More than \$20 Higher Than Most Expensive in County	35	94	90	94
Total	100	100	100	100

Healthy NY Enrollment and Premium Increases

There were Healthy NY premium increases in every county in 2007 with increases ranging from a low of seven percent in Livingston, Ontario, Seneca and Yates counties to a high of 21 percent in Chemung County. This is a change from 2006 when the highest county premium increase was only 12 percent and the low was negative one percent. Forty-nine counties had double-digit average weighted premium increases in 2007, up from just 14 in 2006.

There is no overall connection at the county level between premium increases and enrollment. On one hand, the six counties that did not experience any enrollment increases in 2007 all had double-digit increases in their average weighted premiums. This finding would tend to indicate some connection between rising premiums and lack of increase in enrollment. However, six of the eight counties that had enrollment increases of 25 percent or greater also had double-digit increases in their average weighted premiums; a finding that contradicts the connection between rising premiums and lack of increase in enrollment.

See Appendix E for a complete list of the percent change from 2006 to 2007 in enrollment and average weighted premium for each county.

Past reports have noted that there tended to be some evidence that enrollment growth by health plan level was related to premium changes; however, as seen in Table III-13, there appears to be less correlation this year between premium and enrollment changes. For example, Health Net

of New York experienced the highest percentage increase in enrollment (47 percent) despite an average premium increase of 18 percent. Also notable, Preferred Care experienced the lowest percent change in enrollment (negative 43 percent) but also had one of the lowest percent increases in premiums.

There was some evidence of traditional movement based on premium increase levels, such as Aetna and GHI HMO, but generally enrollment increases or decrease did not seem to be based on premium changes in 2007.

Table III-13: Percent Change in Enrollment and Weighted Average Individual Premium with Pharmacy Benefit between July 2006 and June 2007 by Health Plan

Health Plan	Percent Change 2006-2007	
	Enrollment	Weighted Average Premium
Aetna Health Inc.	-7	23
Atlantis Health Plan	28	15
CDPHP	9	6
CIGNA Healthcare	12	27
Empire HealthChoice	24	23
Excellus Health Plan	18	9
GHI HMO	-38	22
GHI EPO	17	14
HIP	-11	3
Health Net of New York	47	18
HealthNow New York	-22	7
Independent Health	11	16
Managed Health	7	0
MDNY HealthCare	3	12
MVP Health Plan	-5	8
Oxford Health Plans	8	8
Preferred Care	-43	5

Premiums for Pharmacy Benefit

Healthy NY offers health plans with and without the pharmacy benefit. In 2007, as in 2006, premiums with the pharmacy benefit were approximately 14 percent higher than premiums without the pharmacy benefit. Only one health plan offered a plan with a pharmacy benefit that was more than 30 percent higher than the plan offered without the pharmacy benefit.

Comparison with Other Programs

Healthy NY premiums are not strictly comparable to premiums of other HMOs. The Healthy NY benefit package does not include services such as durable medical equipment and chiropractic care. It has a \$3,000 annual cap on prescription drug expenses (from enrollees who choose the pharmacy benefits option) and more importantly, is subsidized by the State of New York paying 90 percent of reinsurance claims between \$5,000 and \$75,000. However, looked at from a market perspective for small business and uninsured individuals, it is important to analyze Healthy NY premiums in the context of other options available in the state.

Table III-14 illustrates the differences in premiums between the Healthy NY program, and HMOs in the individual market. All 17 HMOs participating in Healthy NY offer health plans in New York's individual market. Healthy NY premiums for individuals and families were over 70 percent lower than individual HMOs premiums (74 percent for individuals and 72 percent for families). These differences are similar to the amount of savings in 2006 when premiums were 71 percent lower for individuals and 69 percent lower for families.

Table III-14: Comparison of 2007 Healthy NY and Individual HMO Premiums

	2007 Healthy NY	2007 Individual HMO	Percent Difference between Healthy NY Compared and Individual HMO
Individual Premium	\$230	\$884	-74
Family Premium	679	2,401	-72

Financial Data Analysis

Healthy NY participating health plans receive “stop-loss” reimbursement payments from the State to supplement the member premium payments they receive. These payments help reduce the health plans’ risk and allow them to offer lower cost premiums. The state reimburses health plans for 90 percent of the costs for claims between \$5,000 and \$75,000. Health plans do not receive any “stop-loss” payments for claims less than \$5,000 and receive \$63,000 per claim for claims in excess of \$75,000.

Medical Loss Ratios

The Department of Insurance provided data for 2006 stop-loss reimbursement payments made to individual Healthy NY health plans as well as stop-loss adjusted medical loss ratio (MLR) data. Using this data, EP&P calculated unadjusted MLRs in addition to the adjusted MLRs to see the overall difference between the two figures. The Department calculates the adjusted MLR by dividing the total claims incurred by the total premiums earned. Stop-loss payments received are deducted from the total claims incurred. EP&P calculates the unadjusted MLR by adding back in the stop-loss payments to the total claims incurred. A MLR of 100 percent means revenue received covered all costs incurred. A MLR above 100 percent means revenue did not cover all costs, while a MLR below 100 percent means revenue more than covered costs.

Both the unadjusted and adjusted MLRs fell in 2006. The unadjusted MLR declined from 121.5 percent in 2005 to 117.7 percent in 2006. Only in 2003 was the unadjusted MLR lower. The overall adjusted MLR had remained steady from 2003 to 2005, but dropped significantly in 2006 down to 82.2 percent. This is over six percent lower than the 88.5 percent mark from 2005. Table III-15 displays both MLRs for the past four years.

Table III-15: Medical Loss Ratio by Calendar Year

Calendar Year Services Incurred	Unadjusted Medical Loss Ratio	Stop-Loss Adjusted Medical Loss Ratio	Number of Health Plans
2003	113.6	88.9	22
2004	121.7	92.0	22
2005	121.5	88.5	21
2006	117.7	82.2	19

As the table shows, the stop-loss reimbursements have made a significant impact in reducing health plan costs. The adjusted MLR declined by over six percentage points from CY2005 to CY2006, while the unadjusted MLR declined by less than four percentage points. Therefore, the

data show that Healthy NY stop-loss reimbursement payments have made the difference between health plans being able to cover all costs incurred for the past four years.

Traditionally, the adjusted and unadjusted MLRs for small employers were lower for small employers than they are for individuals and sole proprietors and 2006 was no different. As we can see in Table III-16, the 2006 unadjusted small employer MLR is below 100 percent, while the unadjusted MLRs for sole proprietors and individuals are over 120 percent. The adjusted MLR for small employers is only 67.1 percent, which is 18 percentage points lower than the sole proprietor adjusted MLR and 21.4 points lower than the individual adjusted MLR.

Table III-16: 2006 Medical Loss Ratios by Membership Type

Type of Member	Unadjusted Medical Loss Ratio	Stop-Loss Adjusted Medical Loss Ratio
All Members	117.7	82.2
Individuals	128.5	88.5
Sole Proprietors	121.8	85.1
Small Employers	92.3	67.1

In fact, the 2006 small employer MLR of 67.1 percent was considerably lower than the already low 2005 MLR of 71.8 percent. The 2006 MLR of 88.5 percent for individuals and 85.1 percent for sole proprietors were also lower than their respective 2005 MLRs by around six percentage points. The unadjusted MLRs for all three groups were lower in 2006 than 2005, but by a smaller percentage than the adjusted MLRs.

In addition to fluctuating by membership type, there is also significant fluctuation among MLR for participating Healthy NY plans. The 2006 data displayed in Table III-17 show 17 of the 19 health plans covered their medical costs with premium revenue and stop-loss reimbursements, but without the stop-loss reimbursements to reduce the cost of claims incurred, only one health plan would have covered its medical costs.

Table III-17: Medical Loss Ratio by Health Plan

Health Plan	Unadjusted MLR	Adjusted MLR	Percentage Difference in MLR
Plan 1	126.4	86.0	32.0
Plan 2	118.2	84.2	28.8
Plan 3	79.5	67.0	15.7
Plan 4	108.7	73.1	32.8
Plan 5	102.1	80.6	21.0
Plan 6	101.0	77.9	22.9
Plan 7	121.1	86.2	28.8
Plan 8	121.7	90.2	25.9
Plan 9	130.8	86.6	33.8
Plan 10	130.5	88.1	32.5
Plan 11	116.8	85.5	26.8
Plan 12	103.1	69.4	32.6
Plan 13	106.4	72.8	31.6
Plan 14	126.0	84.8	32.7
Plan 15	107.9	76.1	29.5
Plan 16	169.6	110.0	35.1
Plan 17	109.1	79.0	27.6
Plan 18	191.8	139.4	27.3
Plan 19	170.5	94.8	44.4
All Plans	117.7	82.2	30.1

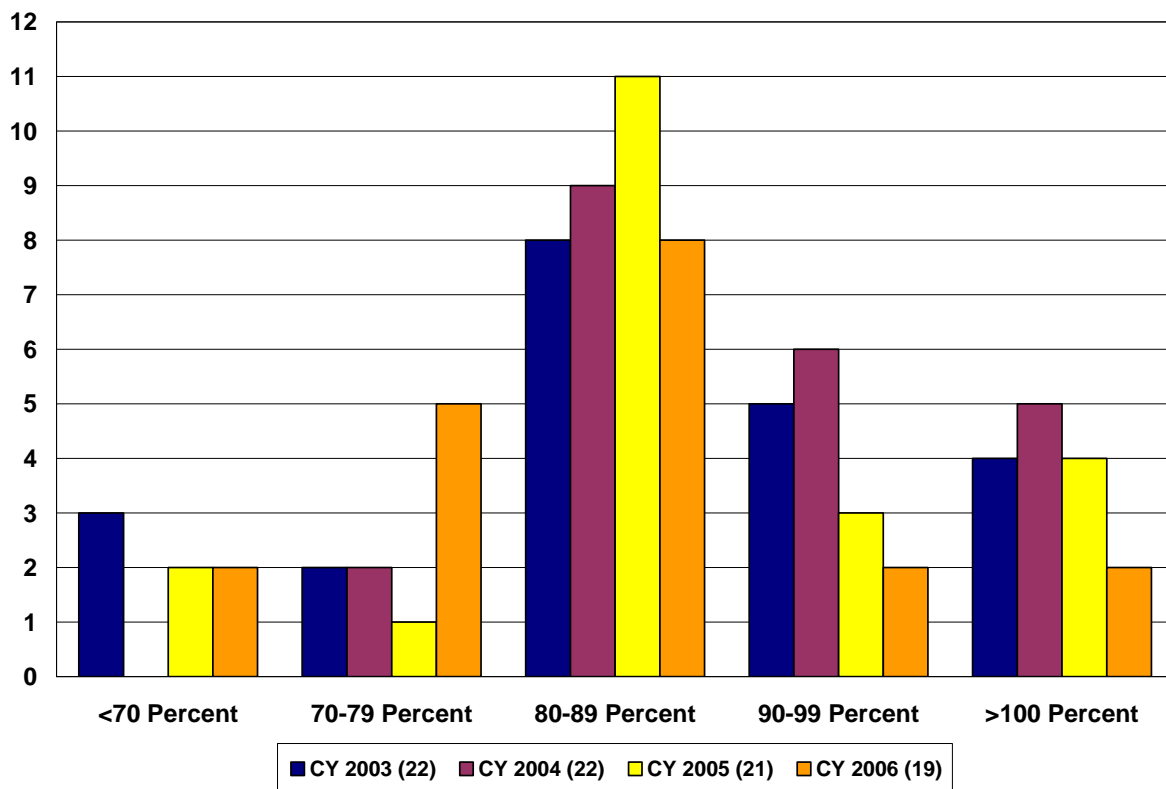
The all plan average unadjusted MLR was 117.7 for 2006 with a high of 191.8 (Plan 18) and a low of 79.5 (Plan 3). Plan 3 was the only plan with an unadjusted MLR below 100, the next closest plan had a MLR of just above 100 percent (101.0 percent). Plan 18 had both the highest unadjusted and adjusted MLR with an adjusted MLR of 139.4. Besides Plan 18, only Plan 16

(110.0 percent) had an adjusted MLR above 100 percent. Plan 3 also had the lowest adjusted MLR at 67.0 percent, followed closely by Plan 12 at 69.4 percent.

The overall difference in the unadjusted and adjusted MLRs for 2006 was 30.1 percent. Nine plans had higher differences, while ten were lower than the overall plan average. Plan 19 had the largest difference at 44.4 percent, while Plan 3 had the smallest difference at 15.7 percent.

The distribution of adjusted MLRs across health plan has fluctuated over the past four years as we can see in Figure III-3. The number of plans in the 80 to 89 percent range spiked in 2005 as eleven of the twenty-two plans had their MLRs in this range. In 2006, the number in this range returned back to its 2003 level as eight plans had a MLR in the 80s. The distribution for 2006 shows more plans with MLRs less than 80 percent (7 plans) in 2006 than previous years and a corresponding drop in plans with MLRs greater than 90 percent (4 plans). The previous low for plans with MLRs less than 80 percent came in 2003 when five plans achieved that rate, while the previous low for plans with MLRs greater than 90 percent had been in 2005 (7 plans).

Figure III-3
Distribution of Adjusted Medical Loss Ratios among Health Plans by Year

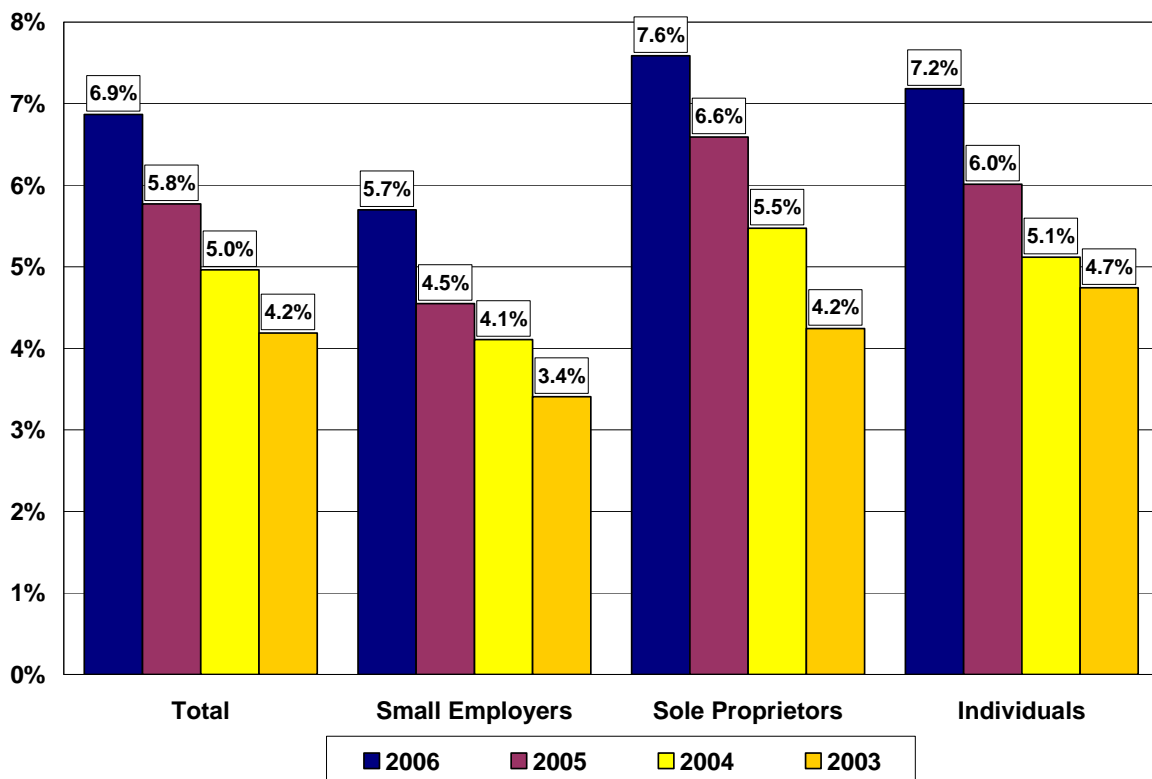


Impact of Stop-Loss Payments

The State's stop-loss reimbursement payments to Healthy NY health plans reduced costs by an average of 30 percent. These payments were for claims between \$5,000 and \$75,000, of which the State pays 90 percent of the claim cost to the health plans. Members with claims falling into this range are a very small number of the members, but they traditionally account for a majority of medical costs for health plans and for Healthy NY. For each of the past four years, less than ten percent of the members have had claims falling into this range, but a majority of total claims paid under Healthy NY policies by participating health plans have fallen into this range. Small employers usually have fewer members who fall into the stop-loss reimbursement range and their claims usually account for a smaller percentage of the overall claims paid for the year.

A small percentage of Healthy NY members each year reach the stop-loss reimbursement threshold of \$5,000 and very few reach the \$75,000 threshold. Nearly seven percent (6.9 percent) of total claims in 2006 reached the stop-loss threshold, up from 5.8 percent in 2005. As we can see in Figure III-4, the percentage of claims reaching the stop-loss threshold has been steadily increasing for the past four years for each enrollment type.

Figure III-4
Percent of Healthy NY Members Reaching Stop-Loss Threshold
by Enrollment Type and Year



The figure also shows that a higher percentage of members who are sole proprietors and individuals reach the \$5,000 stop-loss threshold than members who are working for small employers. In 2006, a total of 12,078 members reached the threshold, an increase of nearly 50 percent from the 8,260 members who reached the threshold in 2005. With the increase in enrollment, this only translates into 1.1 percent more members reaching the threshold in 2006 than 2005. Out of these 12,078 members, only 240 reached the \$75,000 threshold level. This is an increase of 45 percent from the 166 members who reached this threshold in 2005.

This small percentage of members accounts for a significant percentage of the claims paid by the Healthy NY health plans. In 2006, nearly \$178 million in claims came from members who reached the stop-loss threshold. This was nearly three-fifths (59 percent) of the total claims paid by Healthy NY health plans in 2006 and up from the 55 percent of total claims paid in 2005 that reached the threshold. The percentage of claims paid that reached the stop-loss threshold has been increasing for each of the past four years and similar to the member data, a higher percentage of these claims costs were from individuals and sole proprietors than small employers.

Table III-18 on the next page summarizes all the relevant premium and claims information the Department of Insurance received from the health plans for 2006.

Table III-18: Summary of Premiums Received, Claims Paid and Stop-Loss Reimbursements for Calendar Year 2006

	Small Business	Sole Proprietor	Individual	Total
Premiums	\$70,020,433	\$43,877,945	\$146,589,941	\$260,488,318
Loss Ratio Calculation Data				
Total Payments during reporting period	\$63,851,160	\$53,508,509	\$186,084,896	\$303,444,565
Net Claims unpaid at the end of the reporting period	\$7,424,059	\$5,986,872	\$21,926,272	\$35,337,203
Net Claims unpaid at the beginning of the reporting period	\$6,618,196	\$6,047,822	\$19,649,037	\$32,315,055
Estimated stop-loss recoveries	\$17,648,833	\$16,105,542	\$58,625,811	\$92,380,188
Total Claims Incurred	\$47,008,190	\$37,342,018	\$129,736,320	\$214,086,525
Total Claims Incurred (without stop-loss recoveries)	\$64,657,023	\$53,447,560	\$188,362,131	\$306,466,713
Income (Loss) After Stop-Loss Reimbursement	\$23,012,244	\$6,535,927	\$16,853,621	\$46,401,793
Adjusted Medical Loss Ratio Percentage	67.1	85.1	88.5	82.2
Income (Loss) Before Stop-Loss Reimbursement	\$5,363,410	(\$9,569,615)	(\$41,772,190)	(\$45,978,395)
Unadjusted Medical Loss Ratio Percentage	92.3	121.8	128.5	117.7
Stop-Loss Reimbursement Information				
# Reaching \$5,000 Threshold	2,563	2,107	7,408	12,078
Costs For These People	\$34,871,212	\$31,303,720	\$111,623,739	\$177,798,670
Costs exceeding \$5,000 Threshold	\$22,056,212	\$20,768,720	\$74,583,739	\$117,408,670
# Reaching \$75,000 Threshold	37	49	154	240
Costs For These People	\$5,221,397	\$6,548,673	\$20,993,949	\$32,764,018
Costs exceeding \$75,000 Threshold	\$2,446,397	\$2,873,673	\$9,443,949	\$14,764,018
Costs in \$5,000-\$75,000 Range	\$19,609,815	\$17,895,046	\$65,139,790	\$102,644,652
Stop-Loss Reimbursement	\$17,648,833	\$16,105,542	\$58,625,811	\$92,380,187

The table shows that the stop-loss reimbursements from the State to the health plans for 2006 were just over \$92 million, up almost 50 percent from the nearly \$62 million in reimbursements paid by the State in 2005. These 2006 stop-loss reimbursements account for 30 percent of the claims incurred.

The stop-loss reimbursements cover most of the large claims, those in excess of \$5,000, but claims in excess of the stop-loss threshold (greater than \$75,000 per member) are borne almost entirely by the health plans. These costs were not insignificant in 2006 as there was over \$14.7 million in claims that exceeded the \$75,000 amount. This accounted for 4.8 percent of total claims incurred, up from 2005 when they were 3.8 percent or just over \$8.7 million. The increase for these claims in excess of the threshold was 69 percent, which is even higher than the increase in stop-loss reimbursements.

The 2007-08 Budget Report for New York, issued in April 2007, shows the legislature allocated \$110 million for the Healthy NY program. The program uses this \$110 million budget allocation to cover the stop-loss reimbursement payments for the 2006 calendar year. As a result, this funding was sufficient to cover the more than \$92 million in stop-loss reimbursement payments to Healthy NY health plans for their 2006 claims.

CHAPTER IV

INDIVIDUAL AND SOLE PROPRIETOR SURVEY RESULTS AND ANALYSIS

EP&P conducted the 2007 annual survey of Healthy NY members. The survey design elicits members' opinions to find out more about the demographic characteristics of Healthy NY members, their usage of the program and their opinions on positive and negative aspects. The 2007 survey incorporated some methodological changes from previous surveys. In an effort to focus on the "decision makers", this year's survey did not include the population of small business employees because small business employees do not always play a direct role in their employers' decision to choose Healthy NY as their health plan. The comparisons to previous survey data will, therefore, only include individual and sole proprietor members. Another change in this year's survey methodology is a sub-sample of high deductible members and therefore the ability to report results for the 2007 survey by whether or not the respondents were enrolled in a high deductible health plan.

Methodology

This year's EP&P survey focused on individual and sole proprietor Healthy NY members. Sole proprietors and individuals choose their own health plan and pay the full premium and have been most likely to complete previous year's surveys, while small business employees who do not have any decision making power in the employer's choice of Healthy NY traditionally had the lowest survey response rates.

Individuals and sole proprietors selected for the 2007 member survey fell into two categories: those who joined Healthy NY prior to January 1, 2007 and those who have Healthy NY high deductible plans. Health plans gave EP&P the number of individuals and sole proprietors enrolled in Healthy NY prior to January 1, 2007, which EP&P then used to calculate sample counts by health plan. EP&P provided these counts to the health plans and the health plans provided the names and addresses for this pre-determined number of individual and sole proprietor members to be sampled. EP&P mailed surveys to individual and sole proprietor Healthy NY members between late August and mid-September. Two health plans requested to send out member surveys on their own and EP&P sent a pre-determined number of surveys to these health plans. A total of 6,496 surveys were mailed to individuals and sole proprietors enrolled in all 17 Healthy NY health plans for this year's member survey. There were 5,500 surveys mailed to individuals and sole proprietors who joined Healthy NY prior to January 1, 2007 and 996 surveys mailed to individuals and sole proprietors enrolled in the Healthy NY high deductible plan.

Overall, EP&P received a total of 2,106 returned surveys for an overall response rate of 32 percent. This compares favorably to the 2006 survey response rate of 31 percent. We received 1,781 returned surveys from individuals and sole proprietors who joined Healthy NY prior to January 1, 2007 and 325 returned surveys from individuals and sole proprietors enrolled in the Healthy NY high deductible plan. High deductible plan employers had marginally higher

response rate of 33 percent, compared with the 32 percent response rate from individuals and sole proprietors who joined Healthy NY prior to January 1, 2007. Response rates by health plan ranged from 21 percent to 44 percent.

Response Distribution

Individual and sole proprietor members in 61 out of 62 New York counties returned surveys. Hamilton County was the only county with no members returning surveys. Members living in Suffolk and Nassau Counties had the highest response rate. The New York City and Long Island areas had the highest percentage with 19 percent of all returned surveys from each area. The Buffalo area had the third most returned surveys with 14 percent. These three areas also had the highest percentage of individual and sole proprietor members as of June 2007 with 24 percent living in the New York City area, 22 percent living in the Long Island area and 11 percent living in the Buffalo area. Both of the areas with the largest concentration of members had the highest survey response rates, but in slightly lower percentages. This is similar to the distribution of survey responses for the individual and sole proprietor survey in 2006. Survey response rates for the rest of the state track fairly closely to their distribution of individual and sole proprietor members.

Survey Question Design

There were 47 questions on the 2007 individual and sole proprietor survey. The questions collected information on specific demographic characteristics of individual and sole proprietor Healthy NY members their opinions on a variety of aspects of the program. Appendix F of this report has a copy of the individual and sole proprietor survey results and Appendix G has a copy of the HDHP survey results. The demographic characteristics include:

- Age
- Gender
- Primary language spoken
- County of residence
- Income
- Employment status
- Industry

There were also questions regarding their Healthy NY membership and utilization of Healthy NY benefits, including:

- Enrollment contract type and category (individual, family, etc.)
- Enrollment duration
- Prescription drug option
- Reasons for Healthy NY enrollment
- Length of time without insurance prior to Healthy NY enrollment

- Office or clinic and emergency room utilization

Finally, there were questions asking individuals and sole proprietors' their opinion of Healthy NY, their HMO or insurer and their health, including:

- Knowledge of and interest in enrolling in a high deductible plan in the future
- Rating their personal health
- Rating their primary care physician
- Satisfaction with and reasons for choosing their HMO or insurer
- Satisfaction with various aspects of the Healthy program
- Possible addition of specific benefits
- Open-ended comments about the program

Member Demographics

For the most part, the demographic profile of the 2007 Healthy NY individual and sole proprietor survey respondents is the same as previous year's survey results. Most are still 45 years of age or older, female, speak English and make \$30,000 per year or less. However, the addition of the high deductible health plan (HDHP) option in 2007 has led to an increase in younger Healthy NY members. A majority of HDHP survey respondents were also male, while a majority of non-HDHP survey respondents are female.

Age, Gender, and Language

The typical Healthy NY individual and sole proprietor survey respondent was a female 45 years of age or older, the same as in previous surveys. Just over half (52 percent) of the individual and sole proprietor survey respondents were age 45 or older (27 percent were age 45-54 and 25 percent were age 55 and older). One-fifth (21 percent) were 35-44 years of age, one-sixth (16 percent) were 25-34 years of age and the remaining 10 percent were between 18 and 24 years of age. There has been a small, but steady increase in members under 25 years old since 2005, but otherwise, this is a very similar age distribution as we received from the 2005 and 2006 survey responses.¹³

The addition of the high deductible health plan (HDHP) option in 2007 may be playing a role in the increase in younger Healthy NY members. Only two-fifths (42 percent) of HDHP survey respondents were age 45 or older, compared with 54 percent of non-HDHP survey respondents. There were twice as many HDHP members (18 percent) under the age of 25 as there are non-HDHP members (9 percent).

¹³ The 2005 and 2006 survey comparison data used throughout this chapter are only the results from responses to the individual and sole proprietor survey. Small business employee response data and survey results for 2005 and 2006 were not included in these calculations.

Females comprised a majority of the Healthy NY survey respondents once again in 2007. Around three-fifths (59 percent) of Healthy NY individual and sole proprietor members were female; in 2006, 58 percent of individual and sole proprietor respondents were female and 61 percent were female in 2005. In contrast, there were more male HDHP survey respondents (52 percent) than female respondents (48 percent).

Nearly all (96 percent) of the individual and sole proprietor members returning the 2007 survey said English was their primary language. Only one percent said Spanish was their primary language and another two percent reported speaking another language. These are virtually identical to the 2006 survey results. Both years' surveys were only available in English, but this low percentage of non-English speaking individual and sole proprietor members indicates that this population, in general, is probably less likely to be Healthy NY members.

Employment Status and Industry

Two-thirds (68 percent) of individual and sole proprietor Healthy NY members said they were employed. Nine percent were unemployed, five percent were retired and two percent were students. One in six (16 percent) respondents selected "other" and provided a diverse range of responses in the available space on the survey. The most common response listed as "other" was that the person was self-employed as a majority of the "other" employment status respondents were in fact self-employed. This accounts for nine percent of the overall responses.

The remainder of the responses fit into other categories, but none of these categories had more than 10 percent of the "other" responses. Some of the responses included: employed part-time, homemaker, housewife, disabled, seasonal or temporary employee, freelancer, independent contractor, etc. All total, these truly "other" responses were seven percent of the overall responses to the employment status question.

Individual and sole proprietor Healthy NY members work in a diverse range of industries. There were 14 industries listed on the 2007 survey, down from 27 listed in 2006. As a result, there was an increase in individual and sole proprietor survey participants working in an industry not listed, up to 28 percent in 2007 from 19 percent in 2006. In both years, the same seven industries each had five percent or more of respondents. These industries (with their 2007 percentage) were:

- 10 percent - Educational Services
- 10 percent - Arts
- 9 percent - Construction
- 9 percent - Retail
- 9 percent - Food Service, Restaurants
- 8 percent - Health Services
- 6 percent - Hair, Nail, Barber Shops

One-fifth (21 percent) selected one of the other seven industries listed, but no others received at least five percent of the total responses. Nine percent of 2007 respondents selected more than one industry category, similar to the ten percent of respondents who did the same in 2006.

The top industries for HDHP survey respondents were largely the same as the top industries for all survey respondents as six of the seven industries with five percent or more of all individual and sole proprietor survey respondents also had five percent or more of HDHP survey respondents. Hair, nail and barber shops were the sole exception as only two percent of HDHP respondents worked in that industry.

Income

Healthy NY is addressing its goals of providing “comprehensive health insurance to those citizens who need it most”. Half (48 percent) of the individual and sole proprietor survey respondents reported that their 2006 income was \$20,000 per year or less, while three-quarters (75 percent) reported an income of \$30,000 per year or less. Only 14 percent had an income of between \$30,001 and \$40,000 annually while the remaining individual and sole proprietor members had incomes greater than \$40,000 per year. Overall, 11 percent of individual and sole proprietor members had incomes greater than \$40,000 per year with HDHP members more likely (18 percent) to fall into this income bracket than non-HDHP members (10 percent).

Respondents did not shy away from answering the income question. Out of 2,106 returned surveys, 1,959 answered the income question for a 93 percent response rate to the question.

Healthy NY Information Sources

Friends and family continued to be the most prominent way that Healthy NY individual and sole proprietor members learned about the program. This is unchanged from other years as friends and family were on top in 2005 and 2006 as well. Friends and family were also the top way that callers to the Healthy NY hotline reported hearing about the program. Only five percent of individual and sole proprietor members used an insurance broker to purchase their Healthy NY policy.

Most 2007 individual and sole proprietor survey respondents heard about Healthy NY from a family member, friend or co-worker with 44 percent reporting this method. The percentage reporting this method is similar to the 2006 survey results of 41 percent and 2005 survey results of 42 percent.¹⁴ Television advertising has remained the second most common information source over the years, but in 2007 just 20 percent reported hearing about Healthy NY from television advertising, down from 29 percent of individual and sole proprietor survey respondents in 2006 and 28 percent in 2007. The internet was an information source for 12 percent of 2007 survey respondents, similar to its percentage in both 2005 and 2006. Five

¹⁴ There were separate response codes for employers and friends and family members in 2005. Percentage reported is the combined data from both responses.

percent or less chose radio advertising, newspaper or magazine advertising and insurance broker as how they learned about Healthy NY, similar to previous years results. Nine percent chose “other” methods of learning about the program and 13 percent could not remember how they heard about Healthy NY. Both of these results match up with previous individual and sole proprietor survey results.

There were some differences in how HDHP survey respondents learned about the program versus non-HDHP survey respondents with the main difference being HDHP respondents were more likely to cite the internet (20 percent) as an information source than television advertising (17 percent). Non-HDHP respondents were almost twice as likely to say they heard about Healthy NY from television advertising (20 percent) than the internet (11 percent). Family members, friends and co-workers were the clear top source of information for both membership types.

Members who enrolled in Healthy NY within the past two years were more likely to cite family members, friends and co-workers and the internet as sources of information on Healthy NY, while members who enrolled in 2001 or 2002 were more likely to cite all types of advertising. About half of 2006 and 2007 enrollees said they learned about Healthy NY from a friend, family member or co-worker, while less than two-fifths of individual and sole proprietor survey respondents who enrolled prior to 2003 cited the same sources. Only three percent of 2001 and 2002 enrollees heard about Healthy NY from the internet, but the number jumped to 21 percent of 2007 enrollee respondents. Half (50 percent) of 2001 enrollees cited television, radio and newspaper or magazine advertising as did 43 percent of 2002 enrollees. In comparison, only 21 percent of 2007 enrollees cited any form of advertising.

Healthy NY Contract and Membership Information

Within the Healthy NY program, members have several options regarding their coverage; including number of people covered under their plan, whether or not to include prescription drug benefits in their package and the newest option, the high deductible health plan. The high deductible health plan option was introduced on January 1, 2007 and according to data provided to EP&P by the individual health plans, already had nearly 1,000 enrollees as of July 2007. Based on the survey results, the typical Healthy NY individual and sole proprietor member in 2007 is enrolled as a single individual with prescription drug benefits in a non-HDHP plan. These non-HDHP members are also largely not aware of or interested in enrolling in a high deductible plan, once they are given the 2007 deductible amounts.

High Deductible Health Plan

In addition to identifying high deductible health plan members by using a unique code on each survey to identify members enrolled in a high deductible health plan, we also asked survey respondents if they had heard about this new option. Overall, two-fifths (41 percent) said they had heard of this option, 45 percent said they had not heard of it and 15 percent were not sure.

Out of the 41 percent having heard of the Healthy NY high deductible plan, 13 percent identified themselves as enrolled in such a plan, while 28 percent had merely heard of it, but were not enrolled. Seventy-one percent of actual HDHP respondents correctly said they were enrolled in the plan, while only three percent of non-HDHP respondents mistakenly said they were.

Interest in enrolling in a high deductible plan among non-HDHP survey respondents was low, with only four percent saying their company would be interested in enrolling. About half said they would not be interested (47 percent) or were not sure (49 percent) if their company would be interested in the high deductible health plan option.

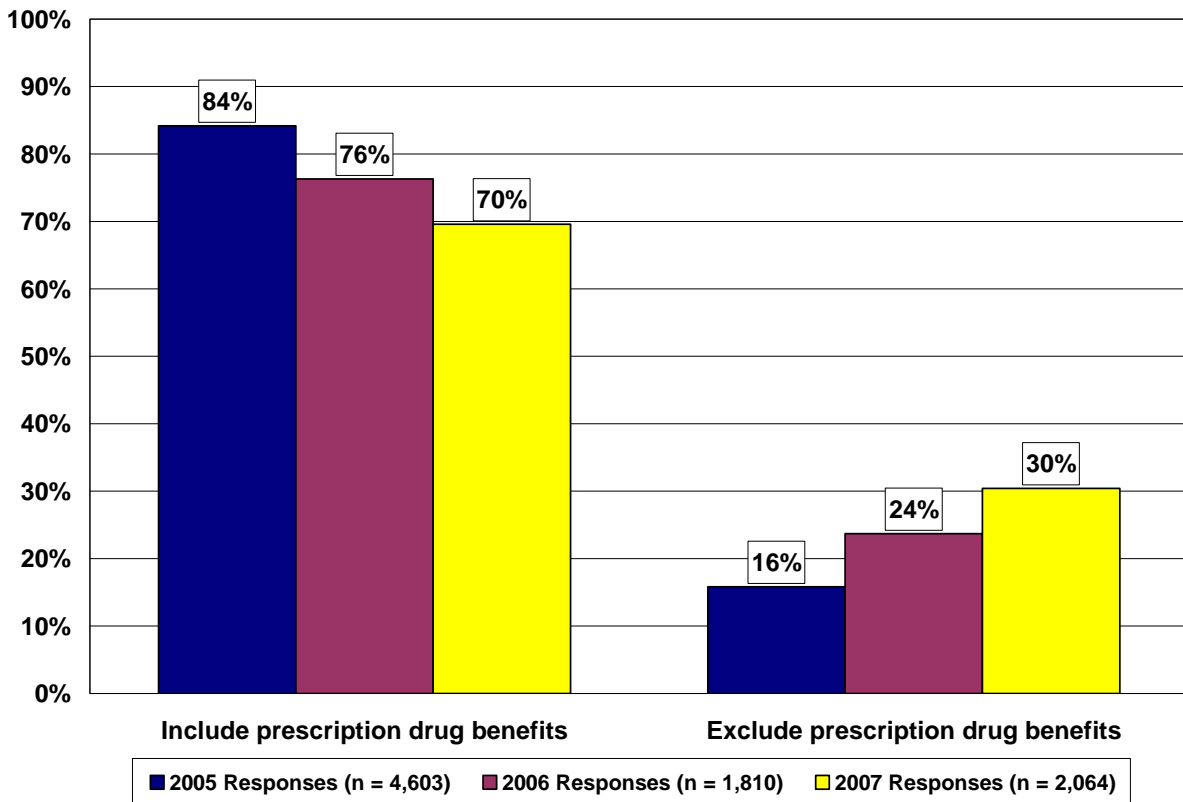
Among identified HDHP members who responded that they were enrolled in a Healthy NY high deductible plan, a majority (59 percent) said they would have enrolled in Healthy NY this year even without a high deductible plan. Just 17 percent said they would not have enrolled. These respondents were slightly more likely to want lower deductible options (24 percent) than higher options (15 percent). About one-third did not think their family will exceed the deductible this year (35 percent), while just six percent think they will exceed it. Finally, one-third (33 percent) reported opening a Health Savings Account (HSA).

Drug Coverage

The percentage of individual and sole proprietor survey respondents who enrolled in a Healthy NY plan that includes prescription drugs has declined significantly since 2005. In 2007, seven in ten (70 percent) of respondents to the individual and sole proprietor survey were enrolled in a package that includes prescription drug benefits, while 30 percent were enrolled in a package excluding drug benefits. This is down from 84 percent with drug benefits in 2005 and 76 percent with them in 2006 (see Figure IV-1).

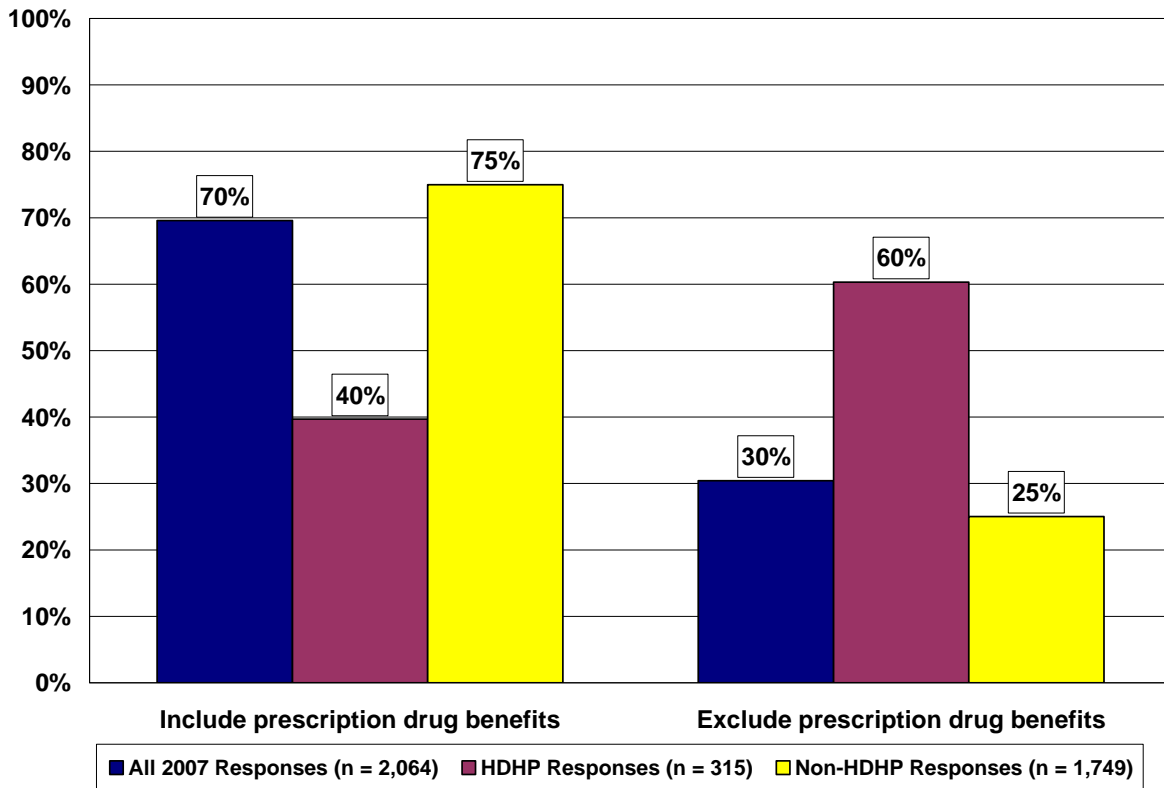
**Figure IV-1
Prescription Drug Option Choice**

Survey Question: Does your current Healthy NY insurance package...?



The addition of the high deductible plan option has contributed to the decline in the percentage of Healthy NY individual and sole proprietor members who include prescription drug benefits in their package. As Figure IV-2 shows, three-quarters (75 percent) of non-HDHP survey respondents had prescription drugs included in their Healthy NY package, but only two-fifths (40 percent) of HDHP respondents do.

Figure IV-2
Prescription Drug Option Choice by Membership Type
Survey Question: Does your current Healthy NY insurance package...?



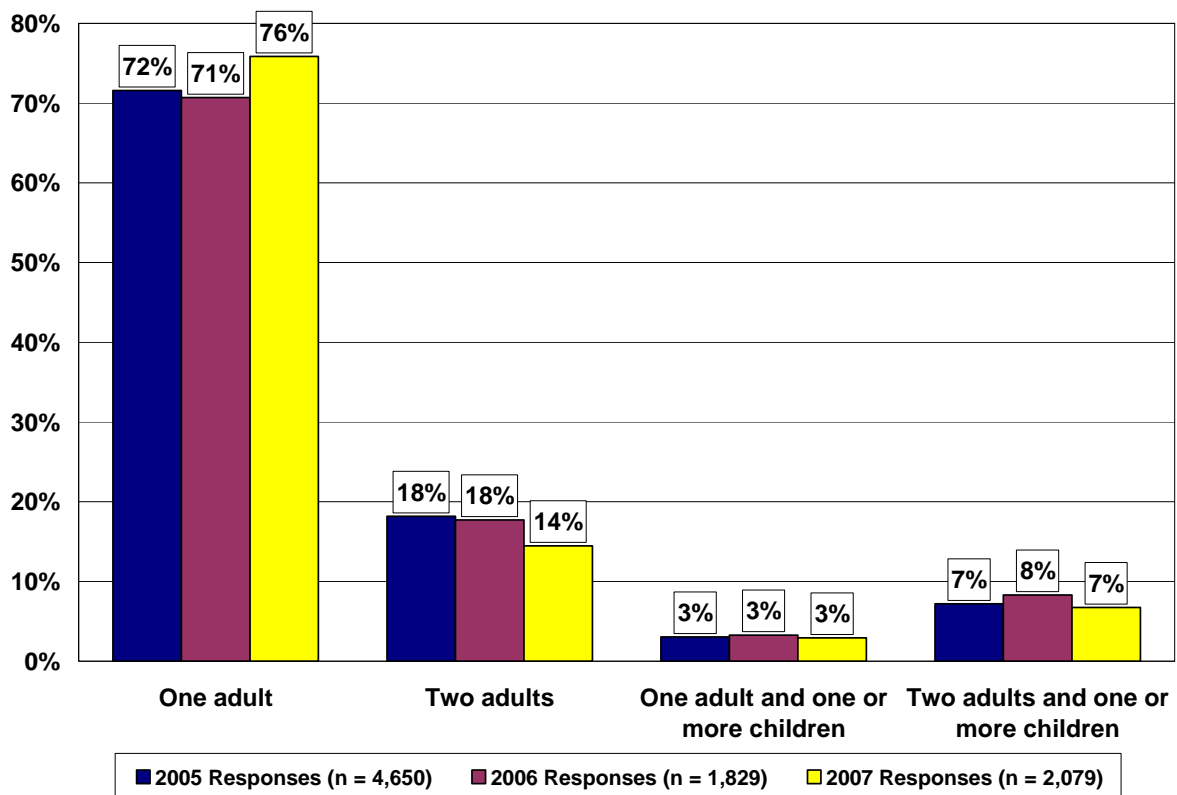
Membership Category

There are traditionally more individuals than sole proprietors who respond to the membership survey and 2007 is no different. This year, nearly two-thirds (64 percent) of individual and sole proprietor survey respondents identified themselves as a working individual who does not own your own business and are not part of a company health plan, while 36 percent chose a sole proprietor of a business. This is a slight increase in the number of self-identified working individuals from 2005 (59 percent) and 2006 (62 percent). The addition of the high deductible health plan option is partially to credit for the increase in individual survey respondents as 67 percent of HDHP survey respondents were identified as working individuals; slightly higher than the 63 percent of non-HDHP survey respondents.

Type of Contract

Three-quarters (76 percent) of Healthy NY individual and sole proprietor members are enrolled as single individuals. This is an increase in individual member enrollment compared to the responses of individual and sole proprietor members from previous surveys (see Figure IV-3).¹⁵ The percentage of single individuals has increased slightly over the past two years, while fewer individual and sole proprietor members enrolled as two adults. About one in ten Healthy NY members over the past three years enrolled with children covered under their plan.

Figure IV-3
Type of Membership Contract
Survey Question: Who is covered under your Healthy NY policy?



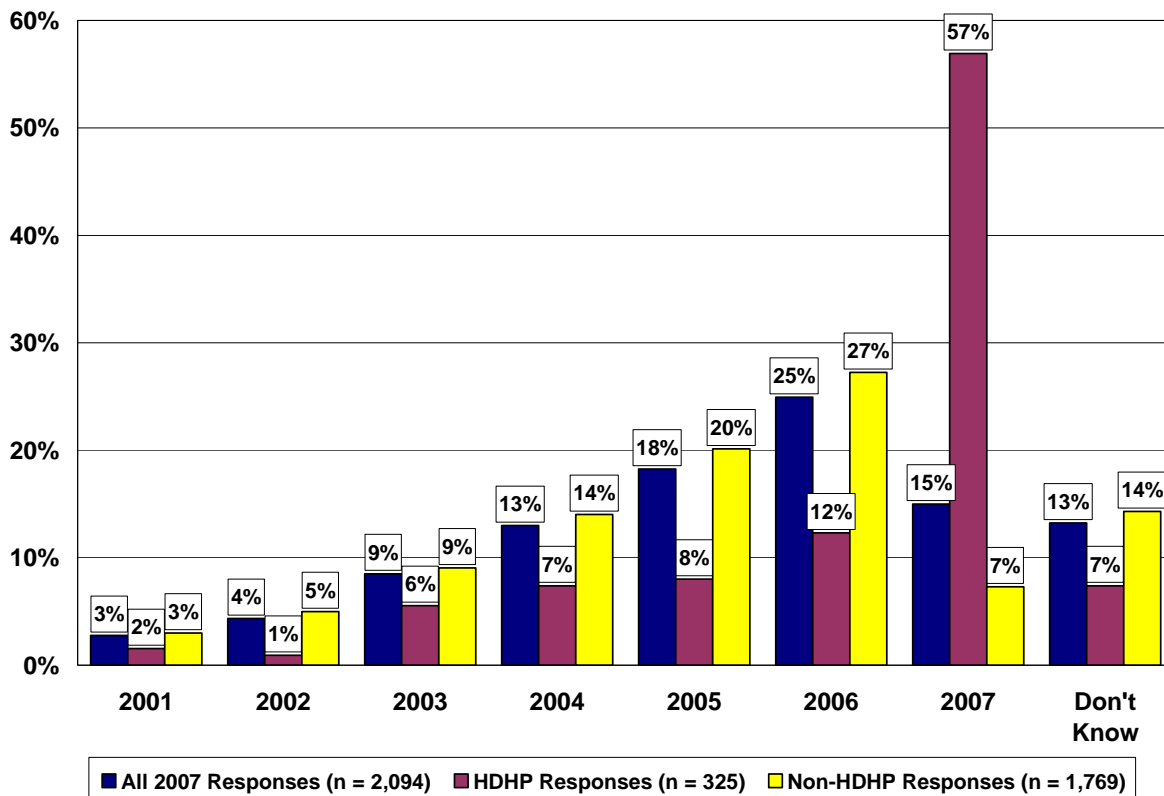
¹⁵ The 2007 survey question wording was slightly different than the 2006 survey wording, which read "What kind of Healthy NY coverage do you have?" and the 2005 and 2004 survey wording, which read "What kind of coverage do you have?"

Length of Coverage Contract

Healthy NY has been in operation for almost seven full years. As a result, the enrollment date of members is not concentrated in any single year. One-quarter (25 percent) of individual and sole proprietor respondents said they enrolled in 2006, 18 percent said they enrolled in 2005 and another 13 percent said they enrolled in 2004. One in six (16 percent) members said they have been enrolled since 2003 or earlier.

A total of 15 percent said they first enrolled in 2007, higher than the number of 2006 respondents who enrolled in 2006. The addition of the HDHP option is the reason for this increase as we can see in Figure IV-4. Names and address of HDHP members who enrolled in 2007 were requested from health plans as part of the survey sample, while they were not requested as part of the non-HDHP sample. As a result of these sample differences, a majority (57 percent) of HDHP respondents said they began their Healthy NY coverage in 2007 while only seven percent of non-HDHP respondents reported likewise.

Figure IV-4
Year of Enrollment in Healthy NY by Type of Plan
Survey Question: In what year did your Healthy NY coverage begin?

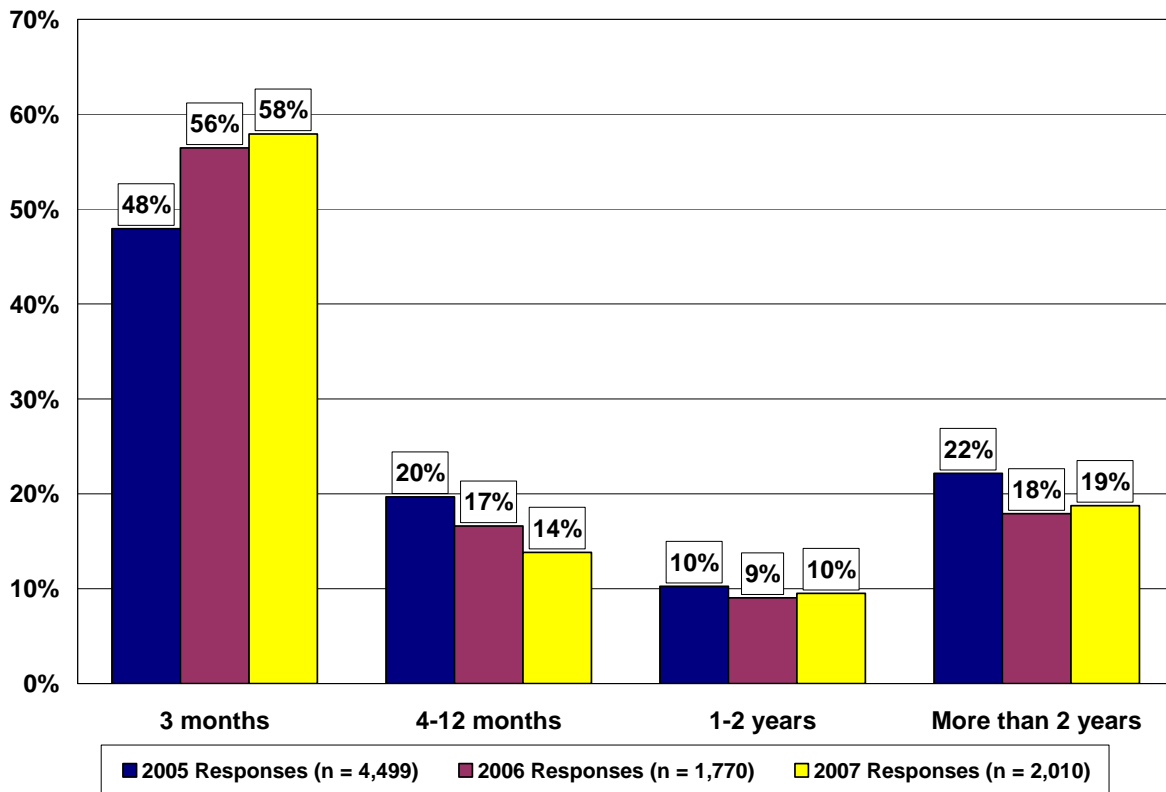


The non-HDHP responses for 2007 is similar to the five percent of respondents from the 2006 survey who said they first enrolled in Healthy NY in that year. However, these non-HDHP respondents are either mistaken about their enrollment dates or EP&P received incorrect lists from some health plans since EP&P requested health plans only give us names and address of non-HDHP members enrolled before January 2007.

Previous Insurance Information

Individual and sole proprietor members were more likely to have had coverage within the three months prior to enrolling in Healthy NY than they were to have gone more than three months without coverage. According to data displayed in Figure IV-5, a majority (58 percent) of 2007 individual and sole proprietor survey respondents had health insurance in the three months prior to their Healthy NY enrollment; similar to the 2006 results of 56 percent and higher than back in 2005 when less than half (48 percent) of member survey respondents had only been without insurance for three months or less.

Figure IV-5
Amount of Time between Healthy NY Enrollment and Previous Insurance
Survey Question: Prior to enrolling in Healthy NY, how long had it been since you had health insurance?



Even after being in operation for almost seven years, Healthy NY continues to enroll New Yorkers who have been without health insurance for more than a year. This year, a total of 28 percent of individual and sole proprietor survey respondents had been without health insurance for at least one year, including one-fifth (19 percent) who had been uninsured for at least two years. Using the most recent Healthy NY enrollment data (October 2007), EP&P estimates that there are nearly 30,000 individuals and sole proprietors in New York being covered by Healthy NY currently who were uninsured for more than one year prior to their enrollment.¹⁶

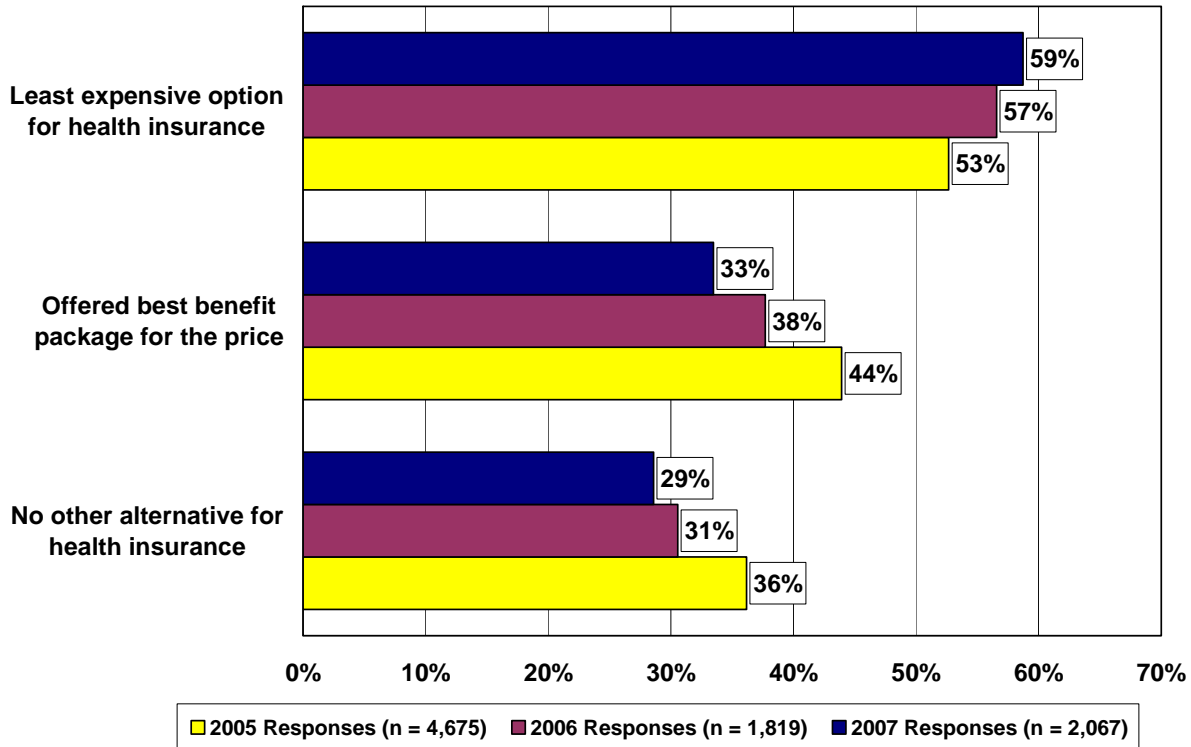
Cost was the primary reason why most individual and sole proprietor survey respondents did not have health insurance before enrolling in Healthy NY. Three-quarters (73 percent) selected the option that other insurance plans were too expensive, while just four percent said they did not have a need for health insurance. Twenty-three percent cited another reason, with the most common of these “other reasons” being the loss of a job that provided insurance, aging out of coverage by parents’ insurance, problems with COBRA coverage or the COBRA coverage running out and change in marital status through divorce.

In light of cost concerns that survey respondents expressed for why they did not have health insurance prior to enrolling in Healthy NY, it is not surprising that the most popular reason cited by survey respondents for picking Healthy NY was that it was the least expensive option for health insurance. This has been the case for the past three Healthy NY surveys with a majority selecting this option each year, including 59 percent of individual and sole proprietor survey respondents in 2007. High deductible health plan individual and sole proprietor members are even more likely to say Healthy NY was their least expensive option as 65 percent of HDHP survey respondents cited it as a reason why they choose to enroll in Healthy NY. As we can see in Figure IV-6, respondents could select more than one choice, therefore totals for each year add up to more than 100 percent.

¹⁶ EP&P calculated this estimate by taking the 28 percent of individuals and sole proprietors without health insurance in the year prior to enrolling in Healthy NY and multiplying it by total enrollment figure of 101,528 individuals and sole proprietors as of October 1, 2007.

**Figure IV-6
Reasons for Enrolling in Healthy NY**

Survey Question: Why did you choose to enroll in Healthy NY?



Survey respondents could choose more than one response. As a result, totals add up to more than 100

A decreasing number of individual and sole proprietor survey respondents are citing Healthy NY as offering the best benefit package for the price of all available options. Forty-four percent of individual and sole proprietor survey respondents chose this response in 2005, but only 33 percent chose it in 2007. Fewer individual and sole proprietor members also reported having no other health insurance alternatives than in the past as 29 percent of 2007 survey respondents gave this reason for selecting Healthy NY, down from 36 percent in 2005.

Healthy NY not only provides health insurance to people who have been insured in the past, but the program also provides insurance to those who would likely be uninsured if not for the program. Just as in previous surveys, individual and sole proprietor members would have opted to go without insurance rather than purchase it elsewhere if not for Healthy NY. Sixty-two percent said they would have gone without health insurance, similar to the 2005 and 2006 individual and sole proprietor survey results of 67 percent and 58 percent. Thirty-six percent said they would have purchased insurance on their own and only two percent would have obtained coverage via another family member’s health insurance plan.

Individual and Sole Proprietor Member Health Information

Dependent Children and Spousal Health Coverage

Most Healthy NY individual and sole proprietor members do not have any dependent children and for those who do have children, it appears that these children have health insurance coverage. The survey found that seven in ten (71 percent) individual and sole proprietor respondents did not have any dependent children, which tracks closely to the 76 percent who have Healthy NY coverage for only one adult.

Nearly all of these Healthy NY members report that their children have health insurance coverage. Only two percent responded that all of their dependent children are uninsured and just three percent said some, but not all, of their dependent children are uninsured. There was no dominant method of coverage as coverage was split among three options with most covered by Child Health Plus (43 percent). One-third (33 percent) were covered by Healthy NY and one-sixth (17 percent) reported that their dependent children were enrolled in another private health plan.

Spouses of Healthy NY members with dependent children were also very likely to have health insurance coverage. Only three percent of members with dependent children reported having an uninsured spouse. This is not because most are single as only one-third (35 percent) of Healthy NY members with dependent children reported that they did not have a husband or wife. Instead, many spouses of Healthy NY members are also enrolled in Healthy NY. Slightly more than half (51 percent) of these members had their spouse covered through Healthy NY.

Awareness of Child Health Plus

Even though a lot of Healthy NY members with dependent children do not have Child Health Plus coverage for their children, these members are largely aware of the Child Health Plus program. Four-fifths (81 percent) of individual and sole proprietor survey respondents said they have seen, read or heard something about the program. HDHP members were slightly less likely to be aware of Child Health Plus as three-quarters (75 percent) of them expressed awareness of the program, compared with 82 percent of non-HDHP members.

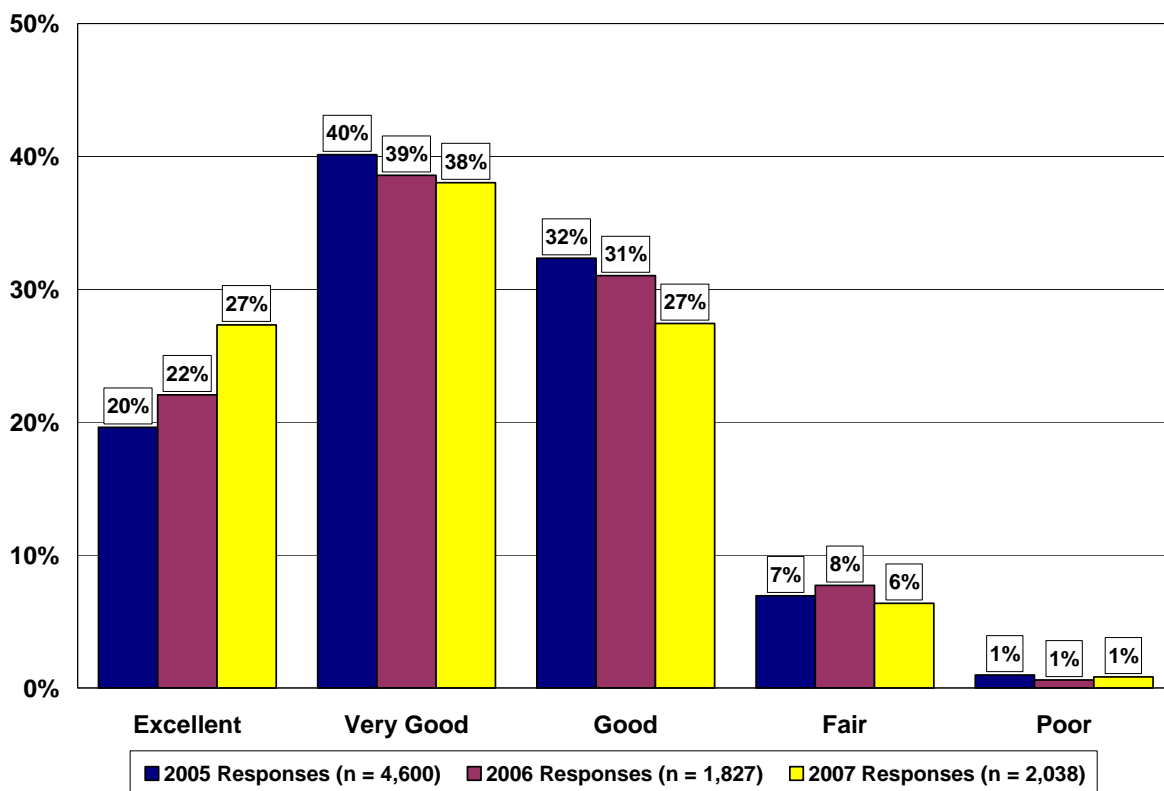
Survey respondents mainly found out about Child Health Plus via another person or from television. Family members, friends or co-workers (38 percent) was the most common information source on Child Health Plus, followed pretty closely by television advertising at 31 percent. Television advertising was an information source about Child Health Plus for more survey respondents than Healthy NY. Thirteen percent reported hearing about Child Health Plan from the internet or "other" sources, while eleven percent could not remember how they learned about the program. Less than ten percent of individual and sole proprietor survey respondents with dependent children chose each of the remaining responses – radio advertising (8 percent), newspaper or magazine advertising (8 percent) and insurance brokers (3 percent).

Overall Health Ratings

Healthy NY members generally rate their health as very good to excellent with improvement in these self-health ratings from 2005 to 2007. Currently, about two-thirds (65 percent) of individual and sole proprietor survey respondents rated their overall health as either excellent (27 percent) or very good (38 percent), with an additional 27 percent saying they are in good health. This is an improvement from 2005 and 2006 as seen in Figure IV-7 when 60 percent and 61 percent respectively rated their health as excellent or very good.

Figure IV-7
Overall Health Rating – Trend

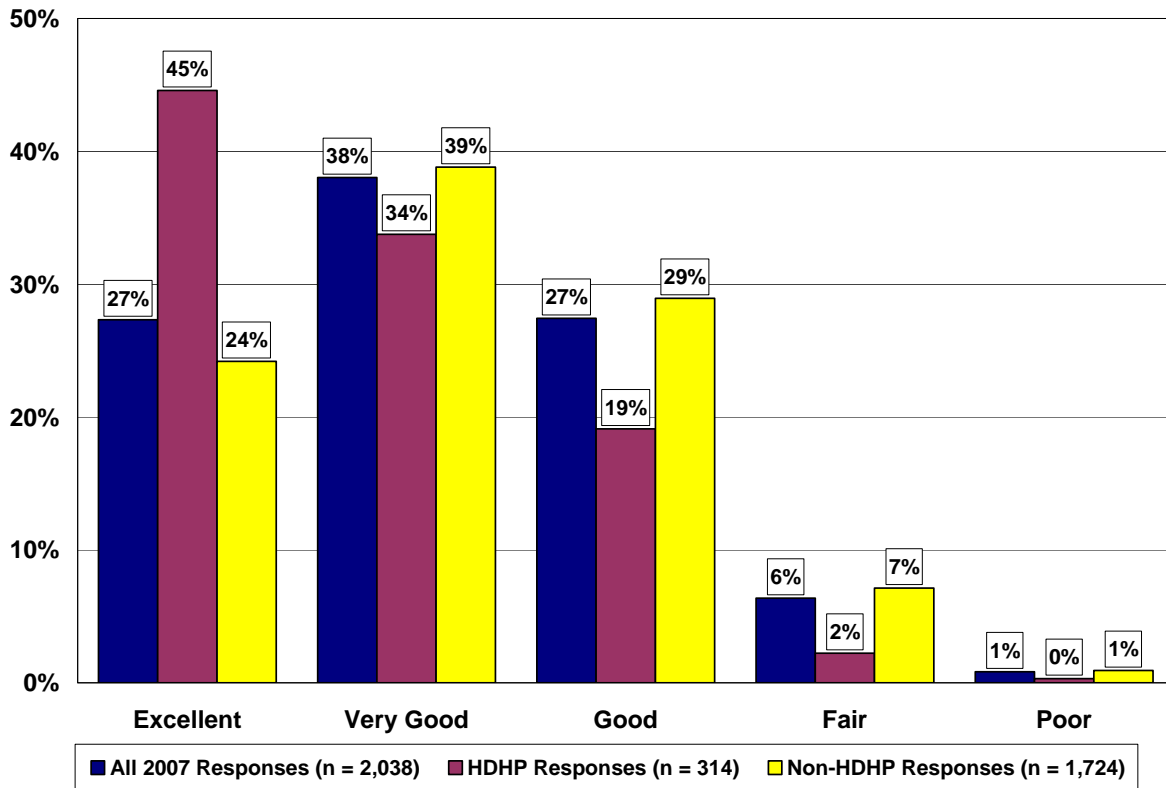
Survey Question: In general, how would you rate your overall health now?



The addition of the HDHP for 2007 has brought in members who perceived themselves as being in excellent to very good health. Forty-five percent of HDHP survey respondent rated their health as excellent, while an additional one-third (34 percent) said they were in very good health. Figure IV-8 demonstrates that these individual and sole proprietor members rate their health significantly better than non-HDHP members and are largely responsible for the improvement seen in these self-health ratings.

Figure IV-8
Overall Health Rating by Type of Plan

Survey Question: In general, how would you rate your overall health now?



Individual and sole proprietor survey respondents themselves reported that having Healthy NY coverage has not changed or changed their health for the better. A majority (58 percent) said that there has been no change in their overall health as a result of having Healthy NY coverage with HDHP members more likely (76 percent) than non-HDHP members (55 percent) to respond this way. One-third (35 percent) of 2007 individual and sole proprietor survey respondents said Healthy NY coverage has made their overall health better, including 15 percent who said it has made it much better, while only two percent reported that Healthy NY coverage has made their health worse.

Utilization and Opinion of Healthy NY Physician Services

It appears individual and sole proprietor members are happy with their doctors. Nearly all individual and sole proprietor members found it easy to find a primary care physician and a strong majority have utilized the services of their primary care physician within the past six months. Individual and sole proprietor members go to their doctor's office far more often than they go to the emergency room for care. This pattern has been present in Healthy NY for the past couple of years as these results are fairly similar to previous surveys.

Primary Care Physician

Over ninety percent of individual and sole proprietor Healthy NY members responding to the survey over the past three years have indicated that it was easy to find a primary care physician they are happy with. There was a slightly methodological change¹⁷ and small wording modification in the question this year¹⁸, but the 2007 results are still extremely similar to prior results. Ninety-two percent of 2007 respondents were happy with their primary care physician, compared to 94 percent in 2005 and 93 percent in 2006.

Healthy NY members are happy with their primary care physician and frequently utilize their physician's services as well. Seven in ten (71 percent) of 2007 individual and sole proprietor survey respondents said they had tried to see their primary care physician in the past six months. While this is a high rate of utilization, it is lower than the rate seen in previous year's surveys.

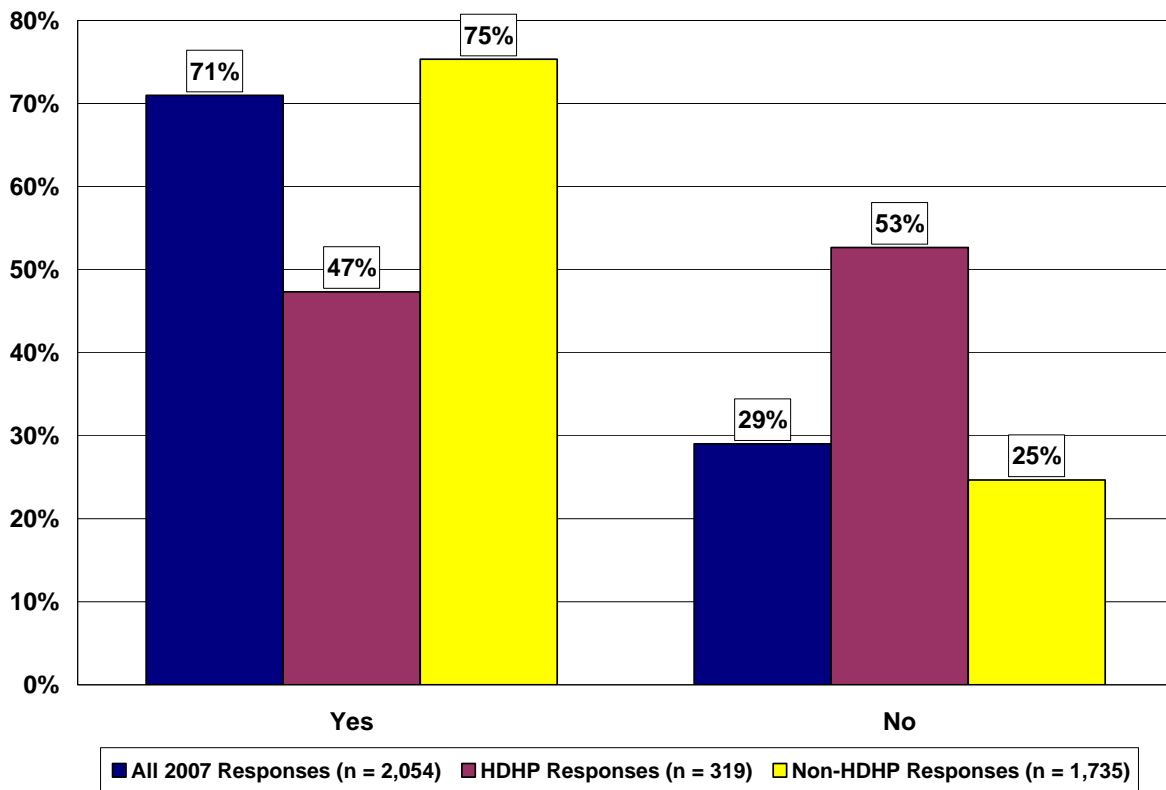
There were two reasons for this decline, a slight change in methodology and the addition of the high deductible health plan with the addition of the HDHP plan appearing to be more of a factor. In previous surveys, only respondents who indicated they had a person they thought of as their personal doctor or nurse were asked to answer the question about primary care physician utilization and the results had higher utilization rates among individual and sole proprietor survey respondents in 2005 (84 percent) and 2006 (83 percent) than this year. However, three-quarters (75 percent) of non-HDHP survey respondents had tried to visit their primary care physician in the past six months compared to only 47 percent of HDHP survey respondents (see Figure IV-9). While there is still a decline from 2005 and 2006 to 2007 using only the non-HDHP respondents, the difference is much smaller.

¹⁷ All individual and sole proprietor survey respondents answered this question for the 2007 survey. In 2005 and 2006, only respondents who indicated that they had one person they thought of as their personal doctor or nurse answered the question.

¹⁸ The 2007 question read "With the choices your HMO/insurer gives you, was it easy to find a personal doctor or nurse you are happy with?", while the 2006 and 2005 question read "With the choices your health insurance plan gives you, was it easy to find a personal doctor or nurse you are happy with?"

**Figure IV-9
Primary Care Physician Visit by Type of Plan**

Survey Question: In the last 6 months, did you try to see your primary care physician?



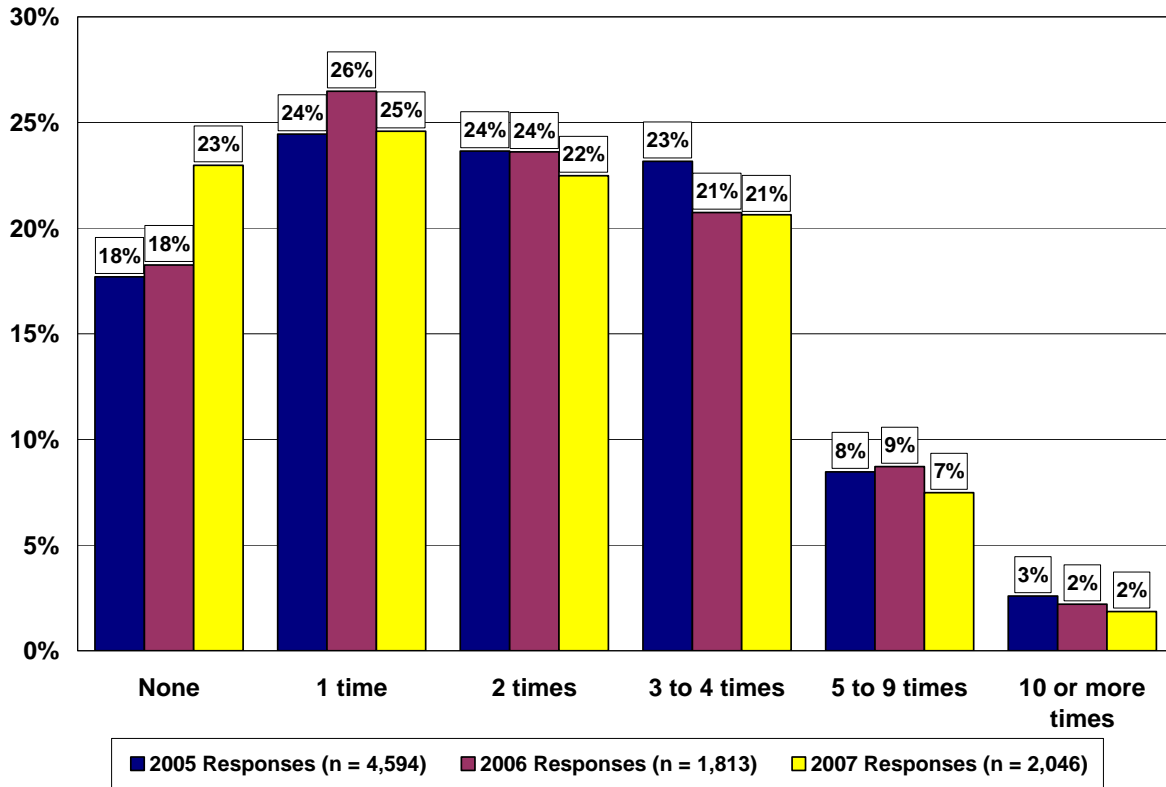
Not only is there a difference in primary care primary visitation rates by type of Healthy NY plan, but there is also a difference among individual and sole proprietor members who have prescription drug benefits and those who do not have drug benefits. Only 53 percent of individual and sole proprietor survey respondents enrolled in a plan that excludes prescription drug benefits have tried to see their primary care physician in the past six months compared to 79 percent of individual and sole proprietor survey respondents enrolled in a plan that includes prescription drug benefits.

Doctor and Emergency Room Usage

There was also a high usage, but a decline from previous years, in doctor utilization rates using another measurement tool from the Healthy NY individual and sole proprietor survey instrument. In both 2005 and 2006, 18 percent of individual and sole proprietor survey respondents said they had not visited the doctor’s office or clinic for their own care under their Healthy NY plan in the last six months. This rate of non-usage, as seen in Figure IV-10, increased to 23 percent in 2007 while the distribution among the other categories remained pretty much the same as in previous years.

Figure IV-10
Doctor Visits in Last Six Months

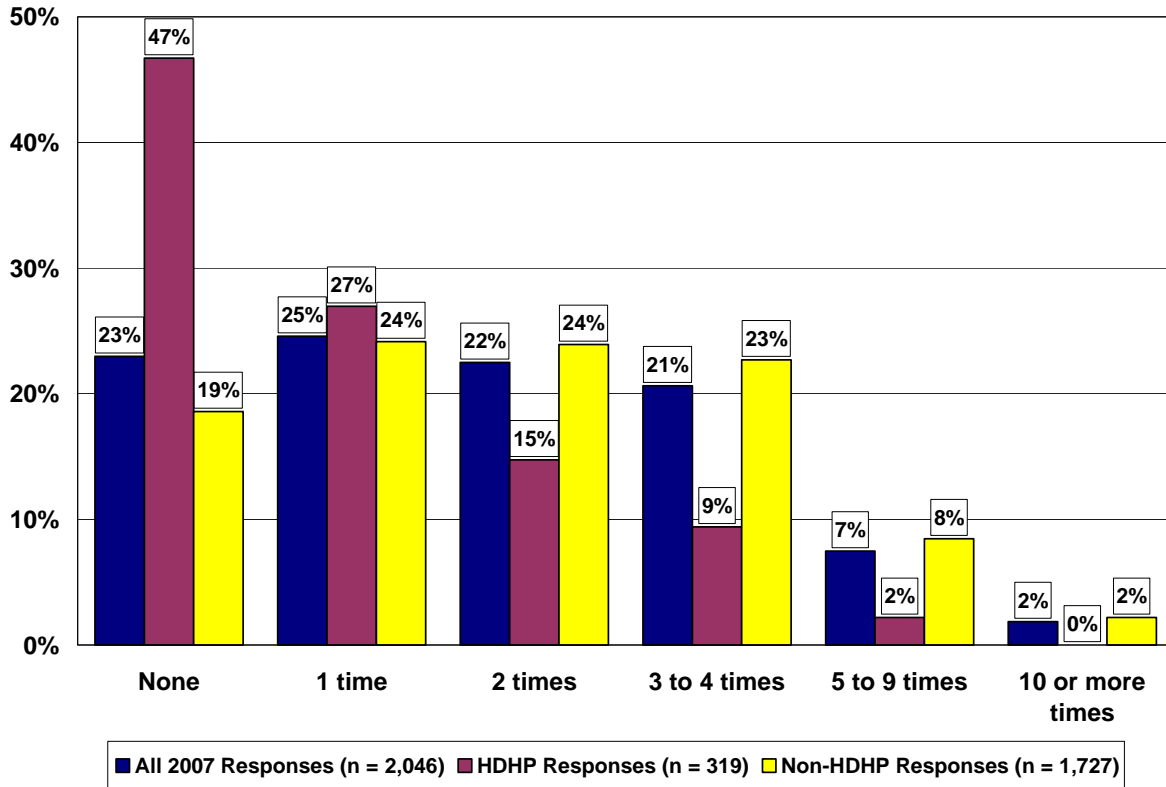
Survey Question: In the last 6 months (not counting times you went to an emergency room), how many times did you go to a doctor's office or clinic for your own care under your Healthy NY plan?



Once again, the cause in this change from previous years' results to the 2007 survey results appears to be the presence of the high deductible health plan option. As shown in Figure IV-11, there is a dramatic difference in doctor visits by type of Healthy NY plan a survey respondent is enrolled in with HDHP respondents were more than twice as likely to have not visited their doctor or clinic in the past six months. Forty-seven percent of individual and sole proprietor survey respondents enrolled in a high deductible health plan had not visited their doctor or clinic in the past six months compared to only 19 percent of respondents not enrolled in a HDHP. The non-HDHP results are very similar to the 2005 and 2006 survey results across all response categories, indicating that the addition of the HDHP option in 2007 has likely caused this shift in doctor utilization.

Figure IV-11
Doctor Visits in Last Six Months by Type of Plan

Survey Question: In the last 6 months (not counting times you went to an emergency room), how many times did you go to a doctor's office or clinic for your own care under your Healthy NY plan?



The pattern of fewer trips to the doctor’s office for Healthy NY members whose package excludes prescription drug benefits that was present in 2006 was also present in this year’s individual and sole proprietor data. Only one-sixth (16 percent) of individual and sole proprietor respondents with drug benefits didn’t visit their doctor or clinic in the past six months; for those without drug benefits, it was two-fifths (39 percent) without a visit.

Healthy NY members have a low rate of emergency room utilization and have maintained this low rate for the past several years. In 2007, 89 percent of individual and sole proprietor survey respondents reported that they did not go to an emergency room in the past six months for their own care under their Healthy NY plan, which tracks closely to the 2005 individual and sole proprietor survey results (86 percent) and 2006 individual and sole proprietor survey results (85 percent). Most of the members who visited the emergency room did so only once (11 percent in 2005; 12 percent in 2006; 9 percent in 2007) and only two to three percent visited more than once over the past six months.

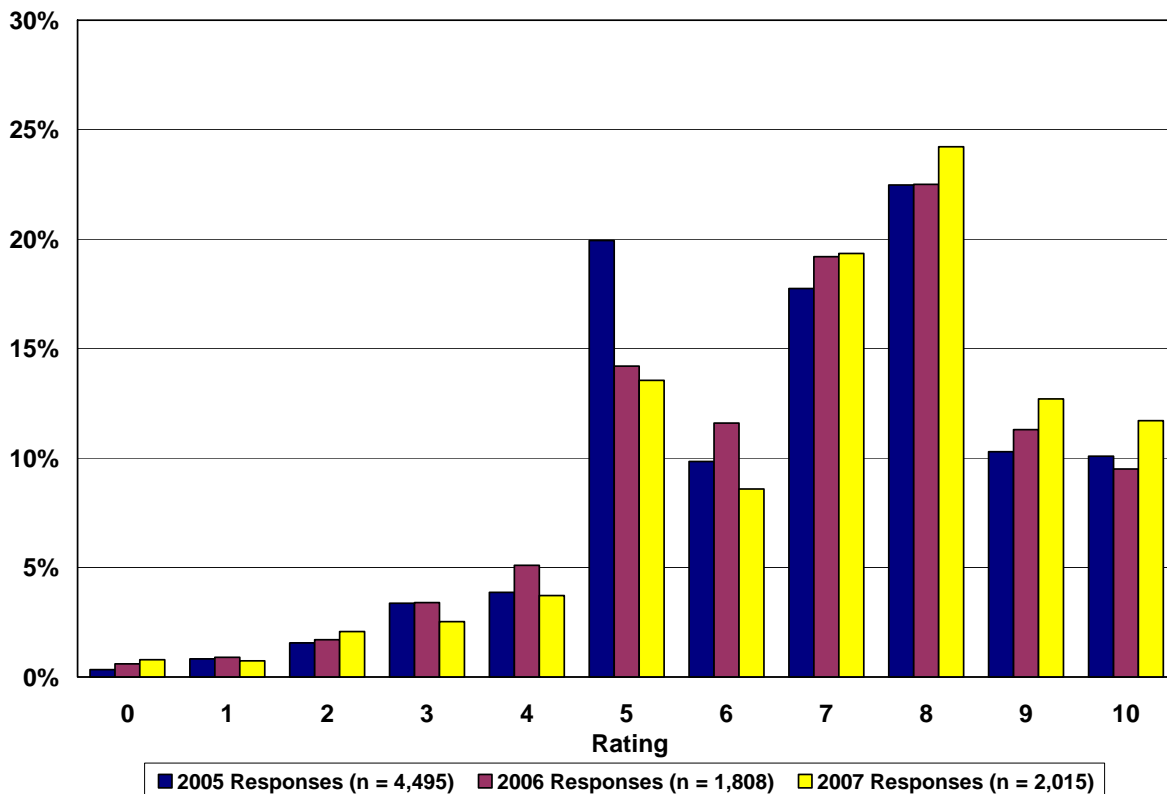
HMO/Insurer Ratings

Healthy NY survey respondents were generally pleased with their HMO or insurer and gave them higher marks than individual and sole proprietor survey respondents did in either 2005 or 2006. Other signs of satisfaction that survey respondents offered to bolster the feeling that they are pleased with their HMO or insurer were low rates of changing their HMO or insurer, high levels of satisfaction with their customer service and the fact that having had the insurer before was the top reason cited by respondents for enrolling in their HMO or insurer of choice.

Overall Rating

On a scale of zero to ten, the average HMO/insurer rating for 2007 was 7.07, higher than the average rating from individual and sole proprietor survey respondents of 6.87 in 2006 and 6.84 in 2005. Individual and sole proprietor members who responded to the 2007 survey also handed out more ratings of “7” or higher than in previous years. In 2007, two-thirds (68 percent) rated their health plan “7” or higher, more than did so in either 2005 (61 percent) or 2006 (63 percent). There was also a slight increase in ratings of “9” or “10” in 2007 from past years and a decline in “5” and “6” ratings. Figure IV-12 shows the past three years’ results.

Figure IV-12
Health Plan Rating – Trend
Survey Question: How would you rate your HMO/Insurer now?



High deductible health plan members offered lower ratings of their HMO/insurer than non-HDHP members. The average rating from HDHP respondents was 6.62, a full half point lower than the average 7.15 rating given by non-HDHP respondents. While one-quarter (26 percent) of non-HDHP respondents rated their HMO or insurer as a “9” or “10”, only one-sixth (16 percent) of HDHP respondents did likewise.

There were some differences by health plan as seen in Table IV-1. Just as in 2006, EP&P added a unique health plan code on each survey in order to analyze these results by health plan. Even though some individual health plans were rated better than others, none had a rating below “6” and only one plan had less than a majority of its members who rated their plan lower than “7”.

Table IV-1: HMO/Insurer Ratings by Health Plan

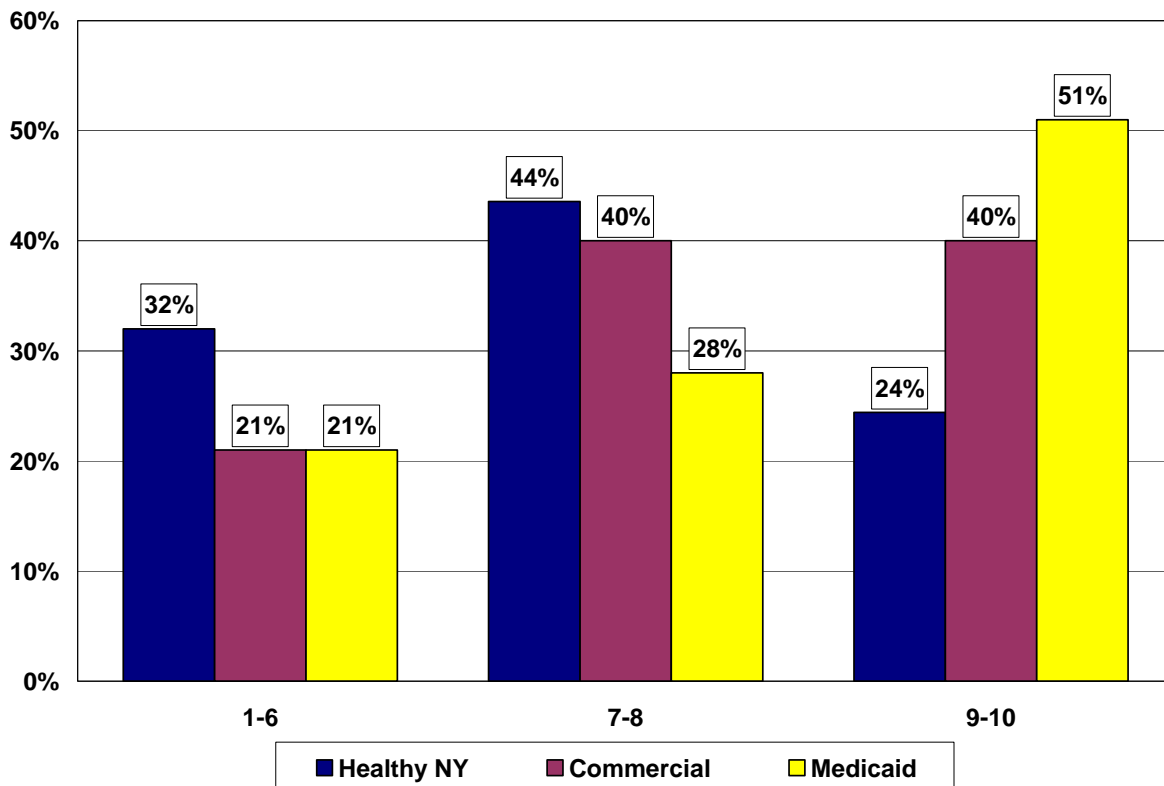
Plan Number	HMO/Insurer Rating
Plan 1	7.25
Plan 2	6.94
Plan 3	6.03
Plan 4	7.36
Plan 5	6.92
Plan 6	6.83
Plan 7	6.69
Plan 8	7.51
Plan 9	7.00
Plan 10	6.27
Plan 11	7.17
Plan 12	6.92
Plan 13	7.33
Plan 14	7.13
Plan 15	7.13
Plan 16	6.87
Plan 17	7.44

Comparison to Commercial and Medicaid Plans

The Consumer Assessment of Healthcare Providers and System (CAHPS) survey question formed the basis for the Healthy NY individual and sole proprietor member satisfaction question, so EP&P can compare the Healthy NY survey results to commercial and Medicaid health plans member satisfaction, published in the National CAHPS Benchmarking Database Annual Chartbook.¹⁹

While satisfaction with Healthy NY improved over the past year, Healthy NY member satisfaction rates are still well below the ratings given by members of both commercial and Medicaid health plans. Figure IV-13 shows that just one-quarter (24 percent) of Healthy NY members rate their HMO or insurer as a “9” or “10”, compared to two-fifths (40 percent) of commercial health plan members and half (51 percent) of Medicaid health plan members. The percentage of members rating both commercial and Medicaid health plans as a “9” or “10” were lower than they were in 2006.

Figure IV-13
Health Plan Rating – Comparison to Commercial and Medicaid Health Plans
Survey Question: How would you rate your HMO/Insurer now?²⁰



¹⁹ 2007 CAHPS Health Plan Survey Chartbook, The National CAHPS Benchmarking Database, December 2007.

²⁰ The CAHPS survey question read “Using 0 to 10, where 0 is the worst possible and 10 is the best possible, how would you rate your health plan?”

Other Rating Measures

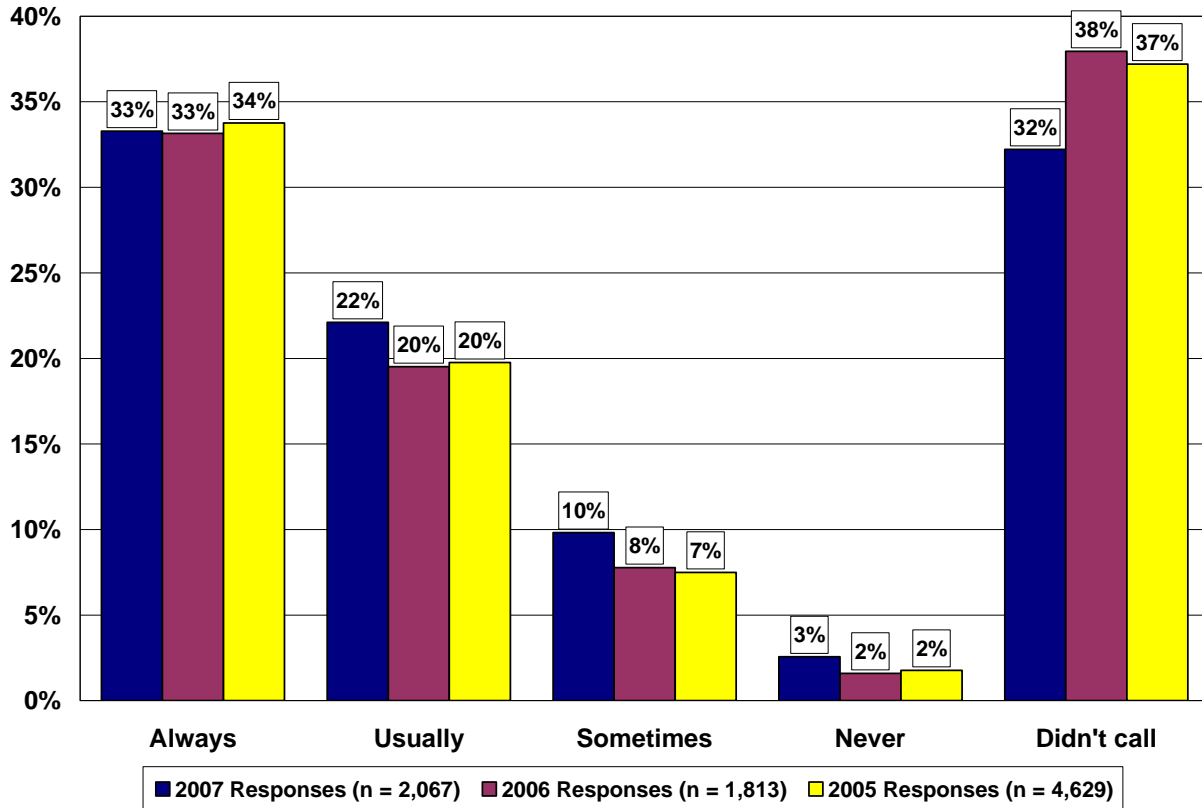
The lack of movement from one Healthy NY plan to another is another sign that Healthy NY individual and sole proprietor members are generally happy with their health plan. Only five percent of 2007 survey respondents and seven percent of 2006 individual and sole proprietor survey respondents had changed plans anytime during their enrollment.

Another sign of satisfaction is that most individual and sole proprietor survey respondents for the past three years have said that the people at their HMO or insurer's customer service²¹ are "usually" or "always" as helpful as the respondent thought they should be. While a significant percentage of respondents each year didn't call (37 percent in 2005; 38 percent in 2006 and 32 percent in 2007), we still find a majority in each year saying customer service was "usually" or "always" helpful. If we remove the responses from those who didn't call their HMO or insurer, we find that for each of the past three years about half said they "always" got helpful customer service and about one-third "usually" got helpful customer service. Figure IV-14 shows the results including those who didn't call.

²¹ The 2005 and 2006 surveys asked about "the people at the health insurance plan's customer service".

Figure IV-14
Frequency of Helpful Customer Service

Survey Question: In the last 6 months, how often were the people at your HMO/insurer's customer service as helpful as you thought they should be?



Consistent with the finding that HDHP members were less satisfied than non-HDHP members, we also found in the 2007 survey results that HDHP members were slightly less likely than non-HDHP members to offer that customer service was usually or always helpful.

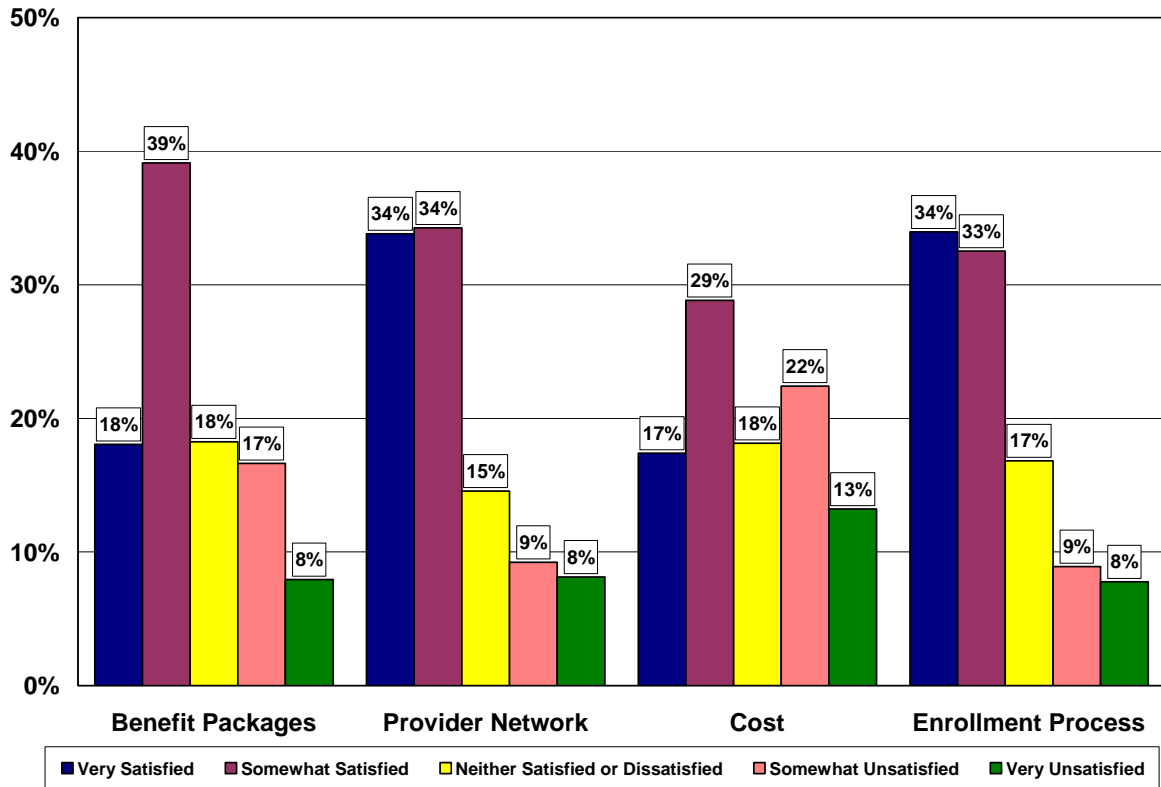
The final indicator of satisfaction with Healthy NY HMOs and insurers is that the top reason given by individual and sole proprietor survey respondents for their choice of the HMO/insurer that they are enrolled with is that the person had this HMO/insurer before. About two-fifths (37 percent) of individual and sole proprietor survey respondents selected this option, ahead of liking this HMO/insurer's monthly premiums (30 percent), which came in second place overall. For HDHP members, the order was reversed with monthly premiums first at 36 percent and had this HMO/insurer before close behind in second with 33 percent. In a tie for third place among all survey respondents were two options – this HMO/insurer has a good reputation (24 percent) and liked this HMO/insurer's physician network (23 percent). Only six percent said they chose their HMO/insurer because it was the only one in their county and ten percent gave an answer other than the options listed.

Satisfaction with Aspects of the Healthy NY Program

In order to discover with which aspects of the Healthy NY program that members are most satisfied, a series of questions about four aspects of the program – benefit package, provider network, cost and enrollment process – were included as part of the 2007 individual and sole proprietor survey. For each aspect, there were more respondents satisfied than unsatisfied, but to varying degrees. Similar to the 2006 survey findings, individual and sole proprietor survey respondents were most satisfied with the provider network and enrollment process and least satisfied with the cost of the program. However, member satisfaction has declined since last year, returning to 2005 levels.

Individual and sole proprietor survey respondents were more satisfied than unsatisfied with all four aspects of the Healthy NY program tested in the 2007 survey, but to varying degrees as we can see in Figure IV-15. Two-thirds were satisfied with the provider network (68 percent) and enrollment process (66 percent), including about one-third very satisfied with both aspects. A majority (57 percent) was satisfied with the benefit packages, but just 18 percent were very satisfied. Survey respondents were least satisfied with the cost of the Healthy NY program as 46 percent said they were satisfied and 36 percent said they were unsatisfied.

Figure IV-15
Satisfaction with Various Aspects of Healthy NY Program
Survey Question: Please tell us how satisfied you are with the following aspects of the Healthy NY program?



There is no definitive pattern to the differences in satisfaction ratings for HDHP and non-HDHP survey respondents as Table IV-2 shows. HDHP respondents were less satisfied with the enrollment process and benefit packages than non-HDHP members, but more satisfied with program cost. They were most satisfied with the provider network and roughly as satisfied with this aspect as non-HDHP respondents.

Table IV-2: Satisfaction Ratings by Type of Plan

Aspect of Healthy NY	Percent Satisfied			Mean Rating		
	All	HDHP	Non-HDHP	All	HDHP	Non-HDHP
Benefit Packages	57	49	59	3.43	3.30	3.45
Provider Network	68	65	69	3.76	3.70	3.78
Cost	46	52	45	3.15	3.33	3.11
Enrollment Process	66	62	67	3.76	3.61	3.79

Compared to last year, individual and sole proprietor members are less satisfied with three aspects of the program. Members were just as satisfied this year with the cost of the program as they were in 2006. However, there was a significant drop in both the percent satisfied and mean rating by individual and sole proprietor survey respondents on the benefit packages, provider network and enrollment process. For the benefit packages and provider network, this decline means a return to 2005 mean satisfaction ratings (enrollment process was not tested in 2005) as seen in Table IV-3.

Table IV-3: Satisfaction Ratings by Year

Aspect of Healthy NY	Percent Satisfied			Mean Rating		
	2005	2006	2007	2005	2006	2007
Benefit Packages	63	67	57	3.38	3.66	3.43
Provider Network	58	77	68	3.74	4.00	3.76
Cost	40	47	46	3.21	3.14	3.15
Enrollment Process	N/A	75	66	N/A	4.00	3.76

Using the unique health plan code, we can see in Table IV-4 that there are differences in ratings for each aspect of Healthy NY among survey respondents in different health plans. The biggest gap among survey respondents by health plan occurs in their opinions' on cost, as survey respondents from one plan (Plan 3) gave their plan an average 3.70 rating, while survey respondents from another health plan (Plan 10) rated their plan's performance a full point lower at 2.62. The ratings for benefit packages had the least amount of variability with Plan 3 survey respondents giving their plan the highest rating of 3.58, while Plan 7 survey respondents rated their plan's performance the lowest with a 3.20 rating. This is not a surprising result since the benefit package is the same regardless of plan or county. Plan 3 respondents consistently rated

three aspects, with provider network as the only exception, of the Healthy NY program better than respondents from other plans. Results in bold type reflect the high plan score, while those in italics underline type reflect the low score.

Table IV-4: Satisfaction Ratings by Health Plan

Plan Number	Benefit Packages	Provider Network	Cost	Enrollment Process
Plan 1	3.41	3.76	2.84	3.84
Plan 2	3.38	3.74	3.39	3.68
Plan 3	3.58	3.59	3.70	4.12
Plan 4	3.40	3.99	3.03	3.80
Plan 5	3.27	<u>3.25</u>	3.21	3.59
Plan 6	3.56	3.89	3.29	3.86
Plan 7	<u>3.20</u>	3.53	3.29	3.66
Plan 8	3.41	3.96	3.09	3.83
Plan 9	3.53	3.62	3.07	3.72
Plan 10	3.36	3.36	<u>2.62</u>	3.71
Plan 11	3.54	3.80	3.37	3.67
Plan 12	3.55	3.80	3.29	3.75
Plan 13	3.38	3.90	2.92	3.89
Plan 14	3.47	3.95	3.03	3.87
Plan 15	3.24	3.29	3.33	<u>3.52</u>
Plan 16	3.47	3.71	2.97	3.73
Plan 17	3.45	3.90	3.28	3.81

Additional Healthy NY Benefits

For the 2007 survey, we added a battery of questions asking individual and sole proprietor Healthy NY members about adding additional benefits to the Healthy NY program. Individual and sole proprietor members were supportive of including all six additional benefits to the program, but generally only if their monthly premium did not increase. The most desired benefit was ambulance services, if there is no monthly premium increase. Dental and vision were the top benefits that individual and sole proprietor survey respondents would be willing to pay more to have as part of the Healthy NY program.

Ambulance services were a benefit that three-quarters (73 percent) of individual and sole proprietor members want included, but only if the monthly premium does not increase. Around three-fifths of individual and sole proprietor members wanted the remaining benefits included, but only if the monthly premium does not increase. Dental (36 percent) and vision (32 percent) services were the benefits that survey respondents were most likely to be willing to pay a higher monthly premium. Around one-fifth of survey respondents were willing to pay a higher premium for mental health services (21 percent), chiropractic services (21 percent) and alcohol and substance abuse treatment (19 percent), while 15 percent were willing to pay more for ambulance services. Individual and sole proprietor survey respondents were least likely to think alcohol and substance abuse treatment benefits should be added as two-fifths (39 percent) chose this option. No other response had one-quarter responding that it should not be adding to the Healthy NY program. The percentages for each benefit appear in Table IV-5.

Table IV-5: Opinion on Adding New Benefits to Healthy NY Program

Benefit	Percent - Should be added, but only if monthly premium does not increase	Percent - Should be added and willing to pay a higher monthly premium	Percent - Should not be added
Ambulance services	73	15	12
Vision services	61	32	7
Dental care services	59	36	5
Mental health services	58	21	21
Chiropractic services	57	21	22
Alcohol and substance abuse treatment	43	19	39

High deductible plan survey respondents were slightly less likely across all benefit additions to want the benefit added as the percentage saying each benefit should not be added was between three and eleven percentage points higher than among all survey respondents. However, a

slightly higher percentage of HDHP members were willing to pay a higher monthly premium for every benefit except chiropractic services. HDHP survey respondents were more likely to say alcohol and substance abuse treatment should not be added to the program (42 percent) than should be added, but only if the monthly premium does not increase (37 percent).

Qualitative Responses

We asked individual and sole proprietor survey respondents once again in 2007 for comments on positive aspects of the Program and areas for improvement. Two-thirds of survey respondents commented on their favorite aspects of Healthy NY, while nearly three-quarters had a recommendation for an area for improvement. This continues the pattern of more areas for improvement than favorite aspects evident in the 2005 and 2006 reports.

Overall, individual and sole proprietor members provided a total of 6,151 qualitative comments or 2.9 comments per survey respondent; 2,963 listed a positive aspect and 3,188 cited an area for improvement. HDHP members provided fewer comments (2.7 per respondent) than non-HDHP members (3.0 per respondent). There were slightly more comments than in 2006 when there was an average of 2.8 comments per survey respondent.

Table IV-6 shows the distribution and frequency of responses by major category for the past three surveys. On the positive side, comments about cost were the clear favorite thing about Healthy NY for individual and sole proprietor survey respondents, but by a larger margin over choice than in previous years. Two-fifths (40 percent) of the positive comments mentioned cost, compared to just 22 percent which mentioned choice. There was a seven percentage point increase in cost comments from 2006 to 2007 and a concurrent five percentage point decline in choice comments. Benefits (16 percent) and availability²² (13 percent) comments received fewer comments than choice and cost, with a similar percentage of comments as in previous year. HDHP survey respondents were just as likely to cite choice (18 percent) as availability (17 percent) in contrast to non-HDHP survey respondents who mentioned choice nearly twice as much as availability.

By a wide margin, individual and sole proprietor survey respondents cited benefits as an area for improvement for Healthy NY. Negative comments related to benefits in 2007 were a majority (54 percent), up from 45 percent in 2006 and slightly higher than the 52 percent registered in 2005. Cost comments slipped from 37 percent in 2006 to 28 percent in 2007. HDHP members (43 percent) were less likely to cite benefits as an area needing improvement than their non-HDHP counterparts (55 percent). Twelve percent of HDHP respondents cited availability as an area needing improvement, compared to only six percent of non-HDHP respondents.

²² Availability refers to comments regarding the administrative ease or administrative burden of Healthy NY, the eligibility requirements of the program or merely the fact that Healthy NY is available in general. Some examples would be comments regarding the difficulty or ease of applying for Healthy NY, the income qualifications of the program, the waiting period for the program, etc.

Table IV-6: Open-Ended Positive and Negative Comments by Major Category and Year

Category	Percent Citing Positive Aspect of Program			Percent Citing Negative Aspect of Program		
	2005	2006	2007	2005	2006	2007
Availability	11.6	14.8	13.2	5.6	6.1	6.5
Benefits	15.7	15.0	15.7	51.8	45.4	53.6
Cost	37.5	32.8	40.0	29.1	37.1	28.5
Choice	26.2	27.4	21.8	8.6	6.1	4.9
Information Available	7.6	7.5	7.4	3.6	4.1	4.0
Other	1.4	2.5	2.0	1.5	1.0	2.6

The positive cost comments for all survey respondents were more likely to be general cost comments (17 percent) than specific comments regarding premiums (11 percent). The pattern was more exaggerated for HDHP respondents who were nearly twice as likely to make a general cost comment (23 percent) than a specific one about premiums (13 percent). Six percent of the cost comments were about copayments, while another two percent were about either deductibles or billing and payments. Few HDHP members' comments were about copayments (2 percent), while five percent were about deductibles. Under the choice category, most of the positive comments were about the provider network for both all respondents (17 percent) and HDHP respondents (12 percent). The positive benefits comments were mostly either about the pharmacy benefit or generic comments on the benefit package. Under availability, survey respondents were more likely to positively comment on the administrative ease of the program than its eligibility requirements or availability. Six percent of the positive comments under the information available category were about customer service.

Two-fifths (41 percent) of all negative comments about Healthy NY were requests for specific additions to the Healthy NY benefit packages, led by dental (12 percent), vision (8 percent) and "other responses" (7 percent). An additional five percent requested dental and vision together. HDHP survey respondents were slightly less likely to request specific additions, but the rank ordering of their additional benefit preferences was the same as all individual and sole proprietor respondents. Six percent of all individual and sole proprietor respondents cited the prescription drug program as a benefit in need of improvement. The cost areas for improvements were not concentrated in any particular subcategory as ten percent cited the prescription benefit, copayments or deductibles, while eight percent gave either a general cost comment or a cost comment about premiums. Similar to the positive comments, HDHP survey respondents were more likely to mention deductibles.

CHAPTER V

EMPLOYER SURVEY RESULTS AND ANALYSIS

According to reports submitted by the health plans to the New York Department of Insurance, there were 12,178 small business groups enrolled in Healthy NY as of June 1, 2007. These groups have enrolled a total of 43,496 Healthy NY members. About three-fifths of these members are small business employees and the remaining two-fifths are dependents of these employees. These totals do not include sole proprietors, but rather are employers with one to fifty employees. As of June, small business employees and their dependents accounted for 30 percent of Healthy NY membership.

Methodology

Employers selected for the 2007 employer survey fell into two categories: employers who joined Healthy NY prior to January 1, 2007 and employers who have Healthy NY high deductible plans. Health plans gave EP&P the number of employer groups enrolled in Healthy NY prior to January 1, 2007, which EP&P used to calculate sample counts. EP&P provided these counts to the health plans and the health plans provided the names and addresses for this pre-determined number of employers. EP&P mailed surveys to selected employers in early to mid-September. Two health plans requested to send out employer surveys on their own and EP&P sent a pre-determined number of surveys to these health plans.

This year, EP&P mailed 1,070 surveys to employers enrolled in all 17 Healthy NY health plans, a change from previous years when only the health plans with the most employer enrollment were sampled. There were 1,000 surveys mailed to employers who joined Healthy NY prior to January 1, 2007 and 70 surveys mailed to employers enrolled in the Healthy NY high deductible plan.

Overall, EP&P received a total of 294 returned surveys for an overall response rate of 27 percent with at least one returned survey from all 17 Healthy NY health plans. We received 272 returned surveys from employers who joined Healthy NY prior to January 1, 2007 and 22 returned surveys from employers enrolled in the Healthy NY high deductible plan. High deductible plan employers had a slightly higher response rate of 31 percent, compared with the 27 percent response rate from employers who joined Healthy NY prior to January 1, 2007. Response rates by health plan varied from a low of 1 percent to a high of 47 percent.

Response Distribution

Employers in 54 out of 62 New York counties returned surveys, higher than the 49 counties which had employers return surveys in 2006. As a result of Suffolk and Nassau Counties having the most returned surveys, the Long Island area had 17 percent of the returned surveys, followed by the New York City area with 14 percent and the Mid-Hudson and Buffalo areas each with 13 percent. The rest of the areas had less than 10 percent of the returned surveys.

While the most returned surveys came from the Long Island and New York City areas, employers in these areas were less likely to return the survey. This is a similar pattern as observed in the 2006 employer survey. New York City employers made up 29 percent of total employer groups in June 2007 and Long Island employers made up 22 percent. In contrast, only 7 percent of employer groups are located in the Buffalo area, but 13 percent of the returned surveys were from that area. The Rochester, Syracuse and Utica/Watertown areas also had higher rates of returned surveys than their percentage of total employer groups.

Survey Question Design

There were 41 questions on the 2007 employer survey. The questions collected information on specific demographic characteristics of employers participating in Healthy NY and their opinions on a variety of aspects of the program. Appendix H of this report has a copy of the employer survey results. The demographic characteristics include:

- Regional and county information
- Employee language information
- Industry affiliation, number of employees and years in business information

There were also questions on the employers' participation in and recall of Healthy NY, including:

- Healthy NY enrollment and coverage information
- Employee participation and premium levels information
- Previous insurance information
- Reasons for offering Healthy NY
- Healthy NY advertising recall

Finally, there were questions asking employers their opinion of Healthy NY, including:

- Reasons for offering Healthy NY
- Interest in enrolling in a high deductible plan in the future
- Impact of offering Healthy NY on their company
- Satisfaction with Healthy NY and various aspects of the program
- Suggestions for attracting more small businesses to Healthy NY
- Open-ended comments about the program

The 2007 survey included many questions that appeared in previous years' surveys as well as some new questions on the Healthy NY high deductible health plan, use of insurance brokers to purchase Healthy NY and employee income. We have compared responses for questions which appeared in previous surveys. This comparison is included even as the sample populations for each survey have changed slightly over the years. We sampled all small business employers in 2004, while in both 2005 and 2006 we only sampled small business employers enrolled in

Healthy NY for a specific length of time. In 2005, we sampled small business enrolled for 18 months or more and in 2006 the sample threshold was enrollment for nine months or more.

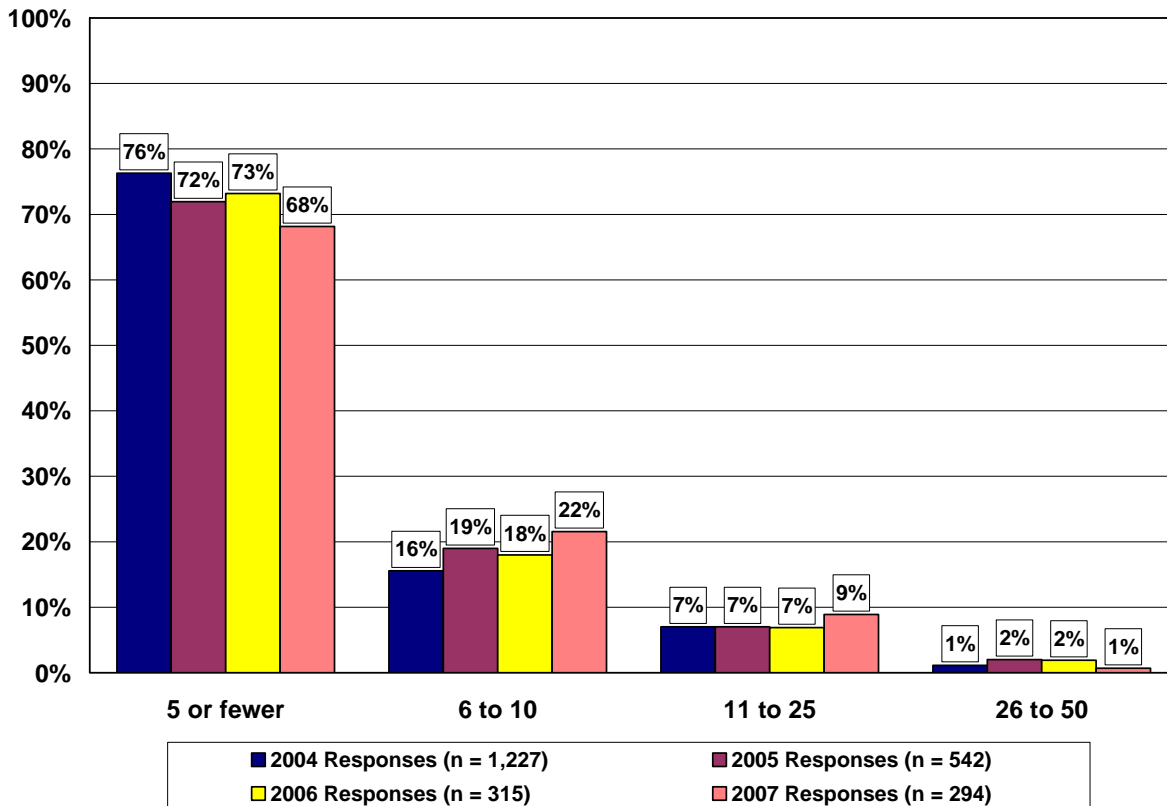
Participating Employer Demographics

Employer Size and Years in Business

Healthy NY was designed to encourage small employers with 50 or fewer employees that do not currently provide comprehensive group health insurance coverage to purchase reduced cost coverage for their employees and dependents. Historically, the program has had large majorities of participating businesses with five or fewer employees. As Figure V-1 shows, the employee size distribution changed slightly this year compared with the past three years. In previous years, about three-quarters of survey respondents reported having five or fewer employees, while about one-sixth reported they had between six and ten employees. In 2007, two-thirds of the survey respondents report having five or fewer employees with the percentage of employers with six to ten employees increasing slightly, up to 22 percent.

**Figure V-1
Employer Size**

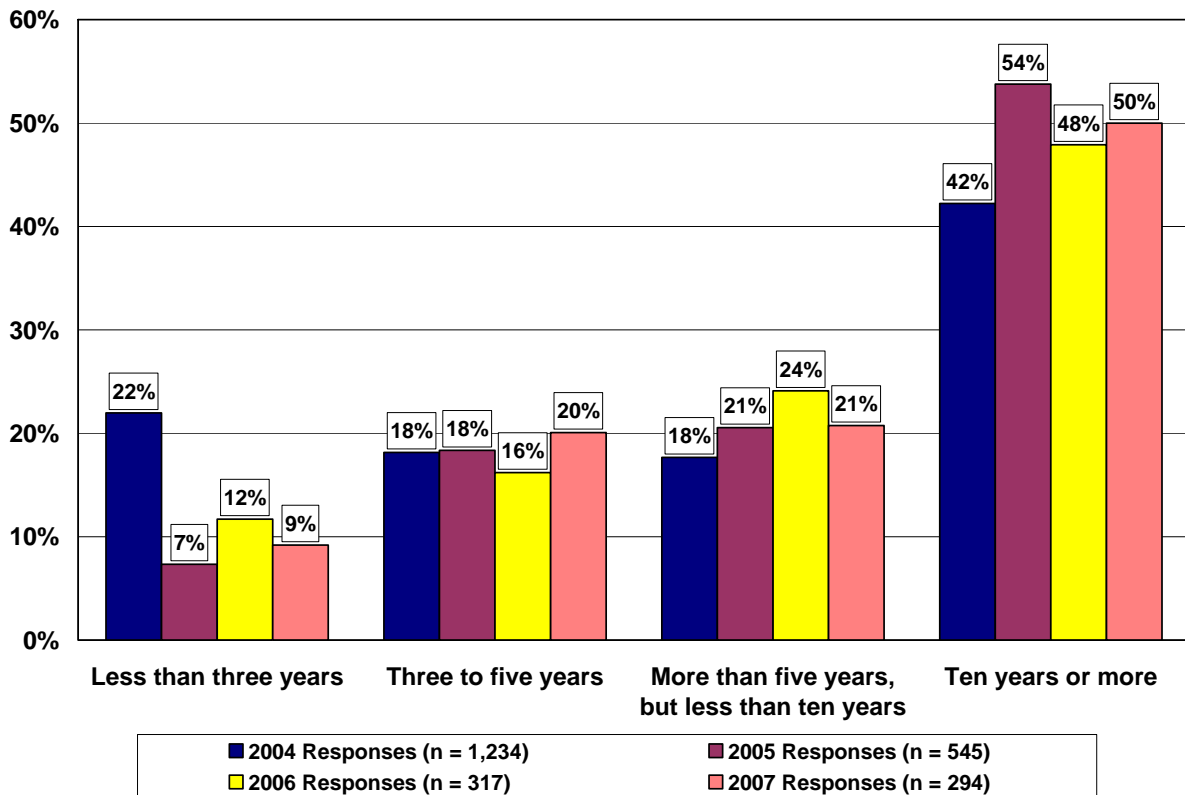
Survey Question: Please estimate how many employees your company has working in the State of New York?



These small companies are not relative newcomers, but established businesses. Employers that have been in business for five or more years are the primary participants in Healthy NY. This has been true for the past three years with around three-quarters of survey respondents having been in business more than five years (see Figure V-2). Half (50 percent) of the 2007 survey respondents have been in business ten years or more, while an additional one-fifth (21 percent) have been in business for more than five years, but less than ten years.

Figure V-2
Years in Business

Survey Question: How long has your company been in business in New York?



Another Healthy NY eligibility requirement is that in order to participate, employers could not have provided health insurance in the past twelve months.²³ The survey results show that Healthy NY is enrolling mostly small businesses that have been in business for a longer period of time, but were most likely unable to afford health insurance for their employees, rather than enrolling newly established businesses.

²³ Healthy NY defines providing health insurance as both arranging for coverage that provides hospital and medical coverage and contributing at least \$50 per employee per month for the premium. The contribution amount is \$75 if the business is located in one of eleven counties in the New York City, Long Island and Westchester areas (Bronx, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk and Westchester Counties).

Employer Industry

Small businesses enrolled in Healthy NY are not concentrated in any single industry, but represent a diverse range of businesses from restaurants and hair, nail and barber shops to consulting and management companies. There were 14 industries listed on the 2007 survey, down from 27 industries in 2006. As a result, there was an increase in survey participants working in an industry not listed, up to 29 percent in 2007 from 17 percent in 2006. The top two industries were the same in both years with construction (15 percent) and retail (12 percent) occupying the top spots again in 2007. Industries with five percent or more of 2007 employer survey participants are:

- 15 percent – Construction
- 12 percent – Retail
- 9 percent – Food Service, Restaurants
- 8 percent – Health Services
- 5 percent – Consulting, Management
- 5 percent – Automotive Repair

Employee Income

This year's survey asked employers to estimate the percentage of their employees in four broad income categories. Despite some concerns about employers' willingness to provide this information, only 17 percent (51 out of 294) of employer survey respondents failed to answer the question. Nearly three-quarters (72 percent) of employers who answered the income question had an employee making between \$20,000 to \$40,000 per year and three-fifths (59 percent) had an employee making less than \$20,000 per year. Less than one-third had employees making more than \$40,000 per year. The percentage of employers with eligible employees in the lower income categories was much higher than the requirement of the program that thirty percent of the eligible employees must make \$36,500 or less per year.

Among respondents who answered the question, the vast majority of employees eligible for Healthy NY from the participating employer survey respondents have incomes of \$40,000 per year or less. Two-fifths (40 percent) of the employees were estimated to make less than \$20,000 per year, while another half (50 percent) fell into the \$20,000 to \$40,000 income range. An estimated nine percent of eligible employees make between \$40,001 and \$60,000 and another two percent were estimated to have incomes over \$60,000 per year.

Employee Locations

Small businesses enrolled in Healthy NY are also located throughout the state, with no concentration in any single area. One in five employer survey respondents have employees working in the Long Island (20 percent) and New York City (19 percent) areas. Around one in six have employees in either the Mid-Hudson (15 percent) area, defined as Columbia, Delaware,

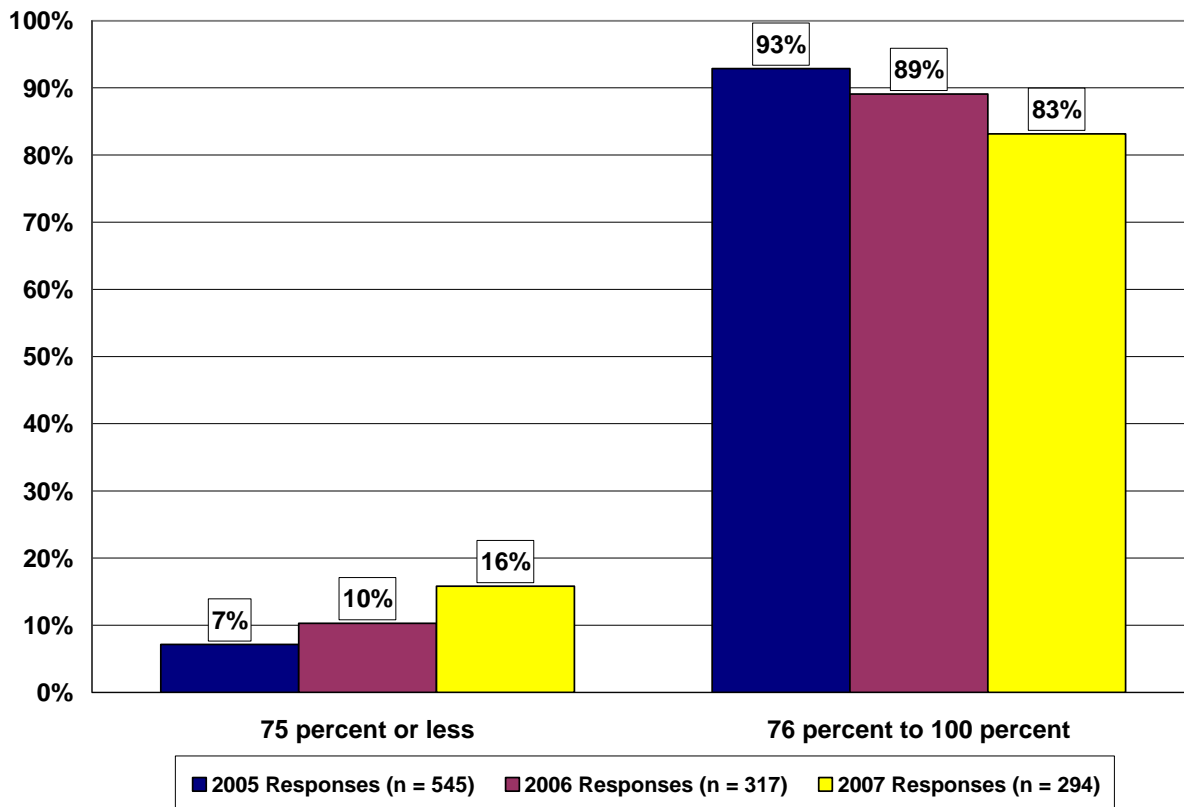
Dutchess, Greene, Orange, Putnam, Sullivan and Ulster Counties, or the Buffalo area (14 percent), defined as Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans and Wyoming Counties. No area had less than eight percent of employees working there.

Language

Healthy NY has not broadened its outreach into the non-English speaking employment sector to a great extent, but there has been an increase since 2005 in employers with three-quarters or fewer of employees who speak English as their primary language. There has been no change in the primary language of the employers as over ninety-five percent of survey respondents said English was their primary language, similar to the results from previous surveys.

However, there has been a steady decline in employers who have most or all of their employees speaking English as their primary language over the past few years as seen in Figure V-3. Around one in six (16 percent) of 2007 survey respondents indicated that three-quarters or less of their employees speak English as their primary language. This is up from 10 percent in 2006 and seven percent in 2005.

Figure V-3
Percent of Employees Speaking English as Primary Language
Survey Question: Please estimate what percent of your employees speak English as their primary language?



Healthy NY Enrollment and Coverage

Enrollment Duration

Most employers who participated in the employer survey have had their Healthy NY coverage for three or fewer years. Despite the fact that most Healthy NY employers have been in business for five or more years, most survey respondents enrolled in Healthy NY after 2002. The most respondents enrolled in either 2005 (23 percent) or 2006 (22 percent), followed by 2004 (14 percent), with another 10 percent having enrolled in 2003. Only six percent enrolled in 2001 and five percent enrolled in 2002.

Seven percent of all survey respondents stated they began their Healthy NY coverage in 2007 and as expected, most of these 2007 enrollees were high deductible plan employers. Only three percent of the non-high deductible members stated their coverage began in 2007. The sample should have only included employers who enrolled in Healthy NY in 2007 for the small number of high deductible plan members surveyed. We suspect that either the non-high deductible plan employers who enrolled in 2007 gave us an incorrect actual enrollment date or some health plans provided contact information for businesses that started coverage after the beginning of the year.

Prescription Coverage

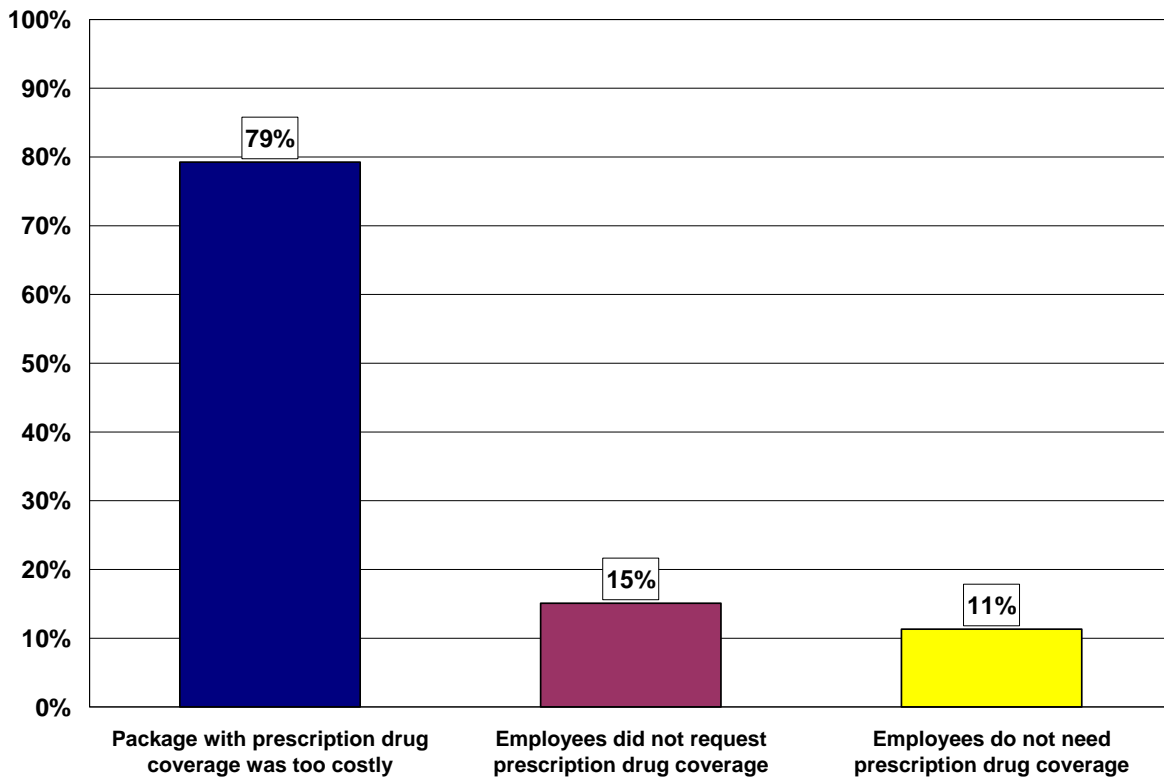
Since July 2003, employers have had the option to select or decline pharmacy benefits as part of their Healthy NY membership package. For the past four years, we have asked employer survey participants which option they offer to their employees and the results have been largely unchanged. This year, four-fifths (81 percent) of employer survey respondents include prescription drug benefits in their Healthy NY benefit package. This is the same percentage as in the 2006 survey, but down slightly from the 2004 survey when 86 percent offered prescription drug benefits.

There was some regional difference in terms of employers offering prescription drug benefits. Employers located in the Long Island area (92 percent) were more likely to offer these benefits, while those in three areas, Rochester (52 percent), Syracuse (64 percent) and Utica/Watertown (64 percent) were less likely to offer drug benefits. In previous years, we analyzed the results by the location of employees and found a similar pattern. Employers with employees working in the downstate area, which includes Long Island, were slightly more likely than those with employees located in upstate region, which includes the Rochester, Syracuse and Utica/Watertown areas, to offer these benefits.

This year, we followed up and asked employers for the reasons that their company offers the Healthy NY prescription package they do. As seen in Figure V-4, employers without the prescription drug benefit package largely offered this package because the drug option was too expensive. Four-fifths (79 percent) of respondents without the prescription drug benefit

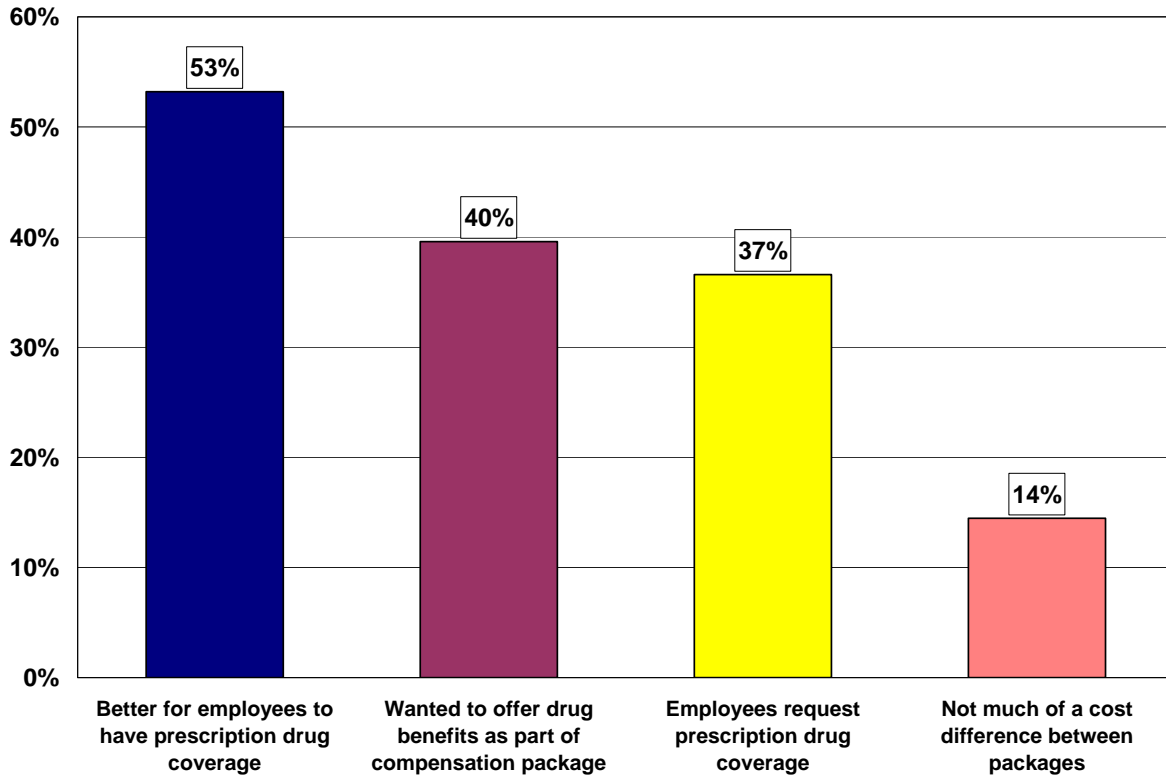
package chose this option, because “the package with prescription drug coverage was too costly.” Far fewer respondents chose either of the other reasons offered on the survey.

Figure V-4
Reasons for Offering Prescription Drug Benefits with Healthy NY
Survey Question: Why did your company choose a Healthy NY insurance package that excludes prescription drug benefits?



In contrast, employers who offered prescription drug benefits as part of the Healthy NY package did not have one overwhelming reasons for doing so as shown in Figure V-5. The most popular response with half (53 percent) choosing it was that they offered drug benefits because it is better for employees to have prescription drug coverage. About two-fifths of employers who offered prescription drug benefits said they chose this option because they wanted to offer health insurance with prescription drug benefits as part of the compensation package (40 percent) or their employees requested the coverage (37 percent). Only 14 percent said it was because there is not much of a cost difference between the two packages.

Figure V-5
Reasons for Offering Prescription Drug Benefits with Healthy NY
Survey Question: Why did your company choose a Healthy NY insurance package that includes prescription drug benefits?



Healthy NY Participation and Premiums

Employer and Employee Participation

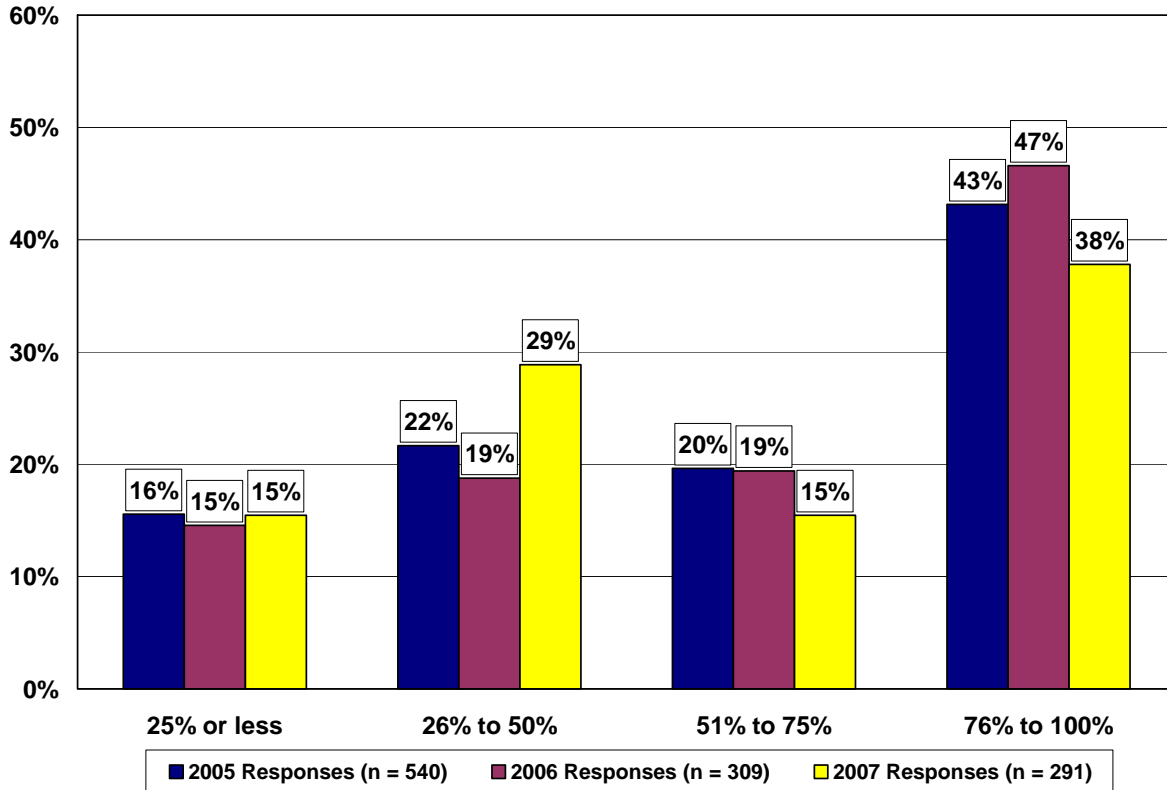
There has been a steady increase in Healthy NY enrollment among employers who offer Healthy NY to their employees. The percentage of survey respondents who offered Healthy NY to their employees and are also enrolled in Healthy NY themselves increased from 63 percent in 2005 to two-thirds (67 percent) in 2006 and now in 2007, 71 percent of small business owners are Healthy NY members. Employer survey respondents located in the Mid-Hudson (81 percent) and Buffalo areas (80 percent) were most likely to be enrolled as Healthy NY members, while those located in the Rochester (62 percent) and Westchester areas (63 percent) were least likely.

While there is an increase in ownership participation in Healthy NY, there appears to be a shrinking participating among small business employees. Only 53 percent of employer survey respondents estimated that a majority of their employees are Healthy NY enrollees through the company's health plan. This is down from 67 percent reporting majority participation in 2006

and 63 percent reporting likewise in 2005 and displayed in Figure V-6. Employer respondents from the Westchester and Mid-Hudson areas were least likely to report that a majority of their employees are Healthy NY enrollees through the company's health plan.

Figure V-6
Employee Participation in Healthy NY

Survey Question: Please estimate what percent of your employees are enrolled in Healthy NY through your company health insurance plan?



Type of Coverage Participation

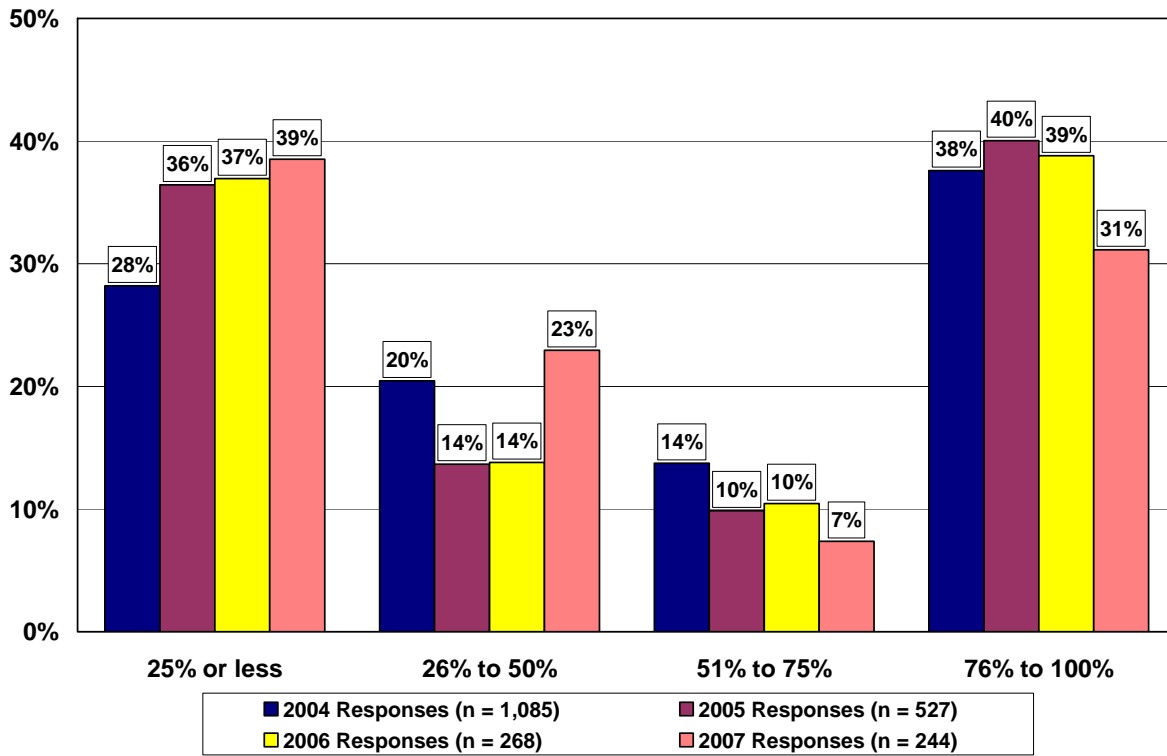
Employers offering Healthy NY can offer four types of coverage: individual, two adults, one adult with child(ren) and two adults with child(ren). Only the individual option is required as individual employers can decide if they want to offer family coverage to their employees. In previous years, there was roughly an even split in reported individual option employee participation rates.

In previous years, roughly equal numbers of the employers indicated that a majority of their employees enrolled in the individual option as stated that less than a majority enrolled in this

option. However, as we can see in Figure V-7, there were more employers in the 2007 survey with less than a majority of their employees enrolled under the individual coverage option.²⁴

Figure V-7
Individual Coverage Option Participation

Survey Question: Please estimate what percent of your employees enrolled in Healthy NY are enrolled under the individual coverage option?



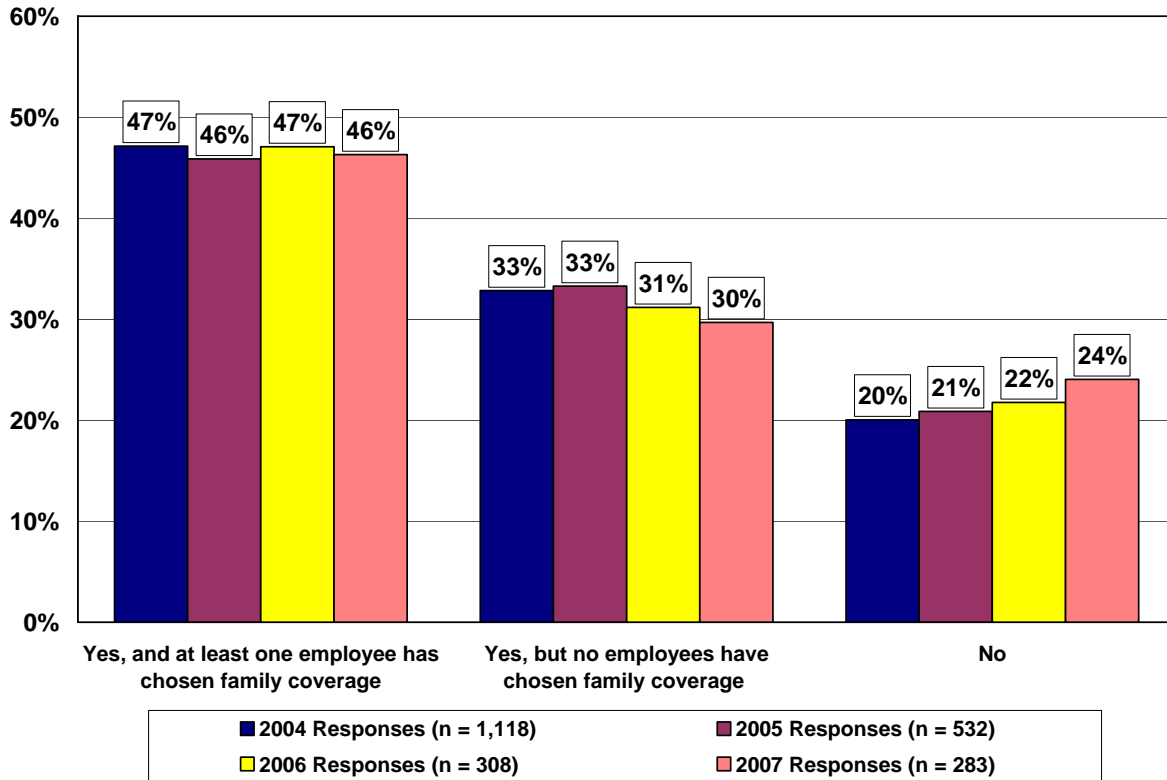
2006 and 2007 data does not include respondents who answered "Don't know"

Even though employers are not required to offer family coverage, about three-quarters of the survey respondents say they offer family coverage. More employer survey participants have at least one employee who has chosen family coverage (46 percent in 2007) than have no employees who have chosen this coverage (30 percent). These percentages have been remarkably steady for the past four years, as seen in Figure V-8.

²⁴ Both the 2006 and 2007 surveys offered "don't know" as a response option. We removed this response option from the calculations shown in the graph in order to compare the results to the 2004 and 2005 surveys, in which it was not an option. Thirteen percent of employers in both the 2006 and 2007 surveys chose "don't know".

Figure V-8
Family Coverage Option

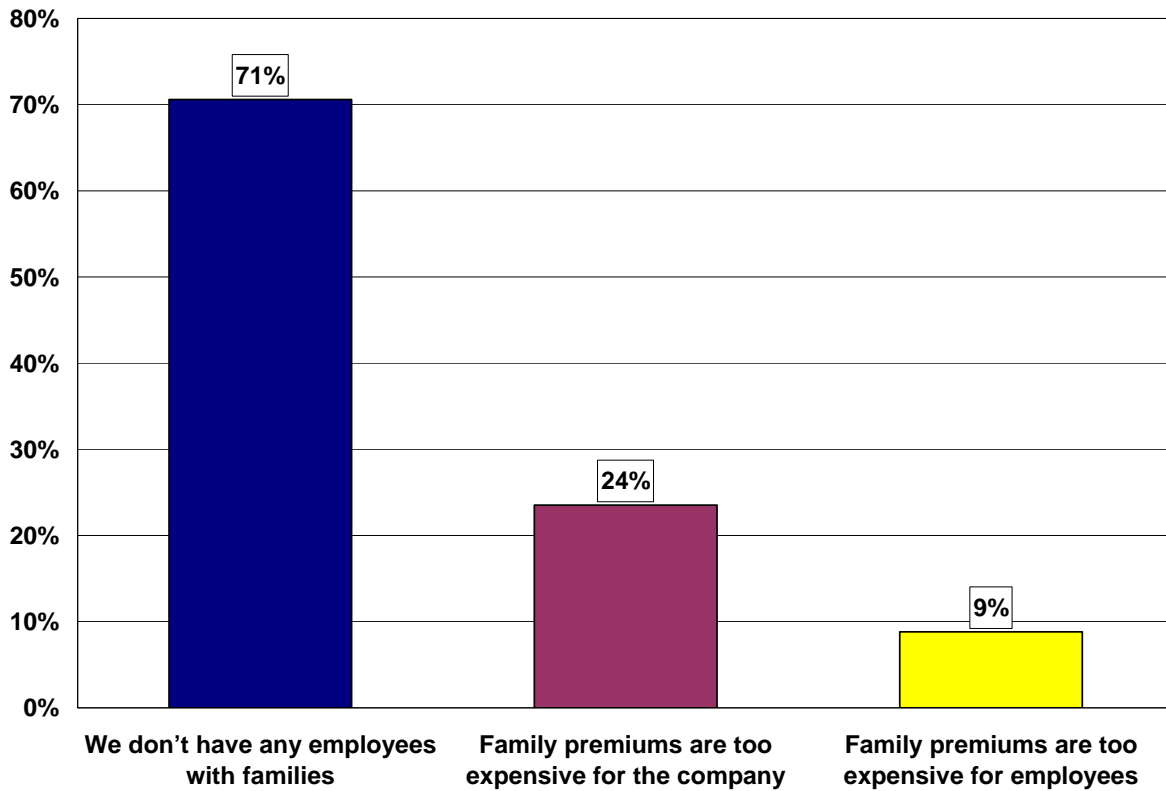
Survey Question: Under Healthy NY guidelines, employers may offer family or spousal coverage but are not responsible for contributing towards the premiums. Does your company offer family health coverage?



A majority of employers in the Utica/Watertown (64 percent) Rochester (55 percent) and Syracuse areas (52 percent) offer family coverage and have at least one employee taking advantage of this offer. There was a split among employers in the Mid-Hudson and Westchester areas who offer family coverage on whether any employees have chosen this coverage, making the percentage with no employees choosing this coverage higher than the percentage among all employers who responded to the survey.

Seven out of ten (71 percent) employers who do not offer family coverage said they did not offer it because they don't have any employees with families. Only one out of three respondents chose a cost-based reason, as seen in Figure V-9.

Figure V-9
Reasons for Not Offering Family Coverage Option
Survey Question: Why does your company not offer family health coverage?

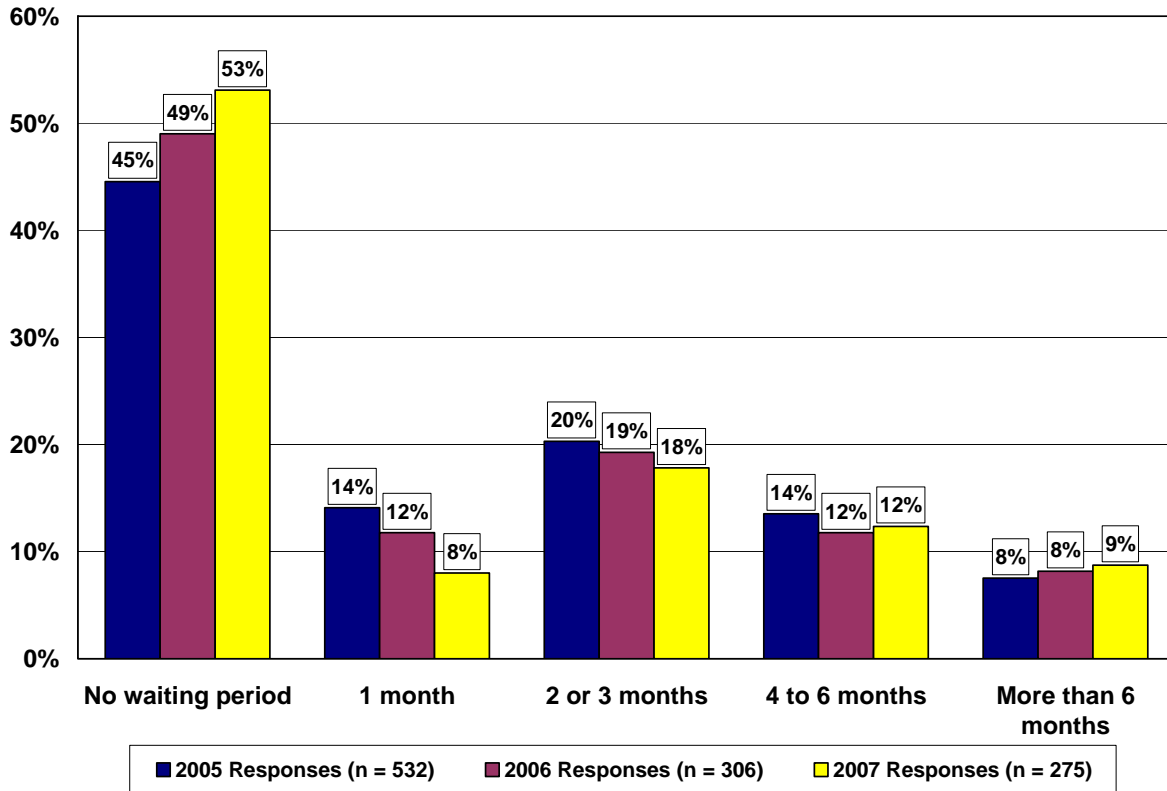


Waiting Period

There are no mandatory Healthy NY waiting periods. About half (53 percent) of the 2007 employer survey respondents chose not to have a waiting period (see Figure V-10). There has been an increase since 2005 in survey respondents who do not have any waiting period before employees can obtain Healthy NY coverage and a similar decline in employers with a one-month waiting period. Employer survey respondents in the Mid-Hudson and New York City areas were the most likely to have a waiting period, while those in Westchester (73 percent), Albany (67 percent) and Rochester (65 percent) were more likely to not have any waiting period.

Figure V-10
Waiting Period for Employee Healthy NY Coverage

Survey Question: How long is the waiting period before an employee can obtain Healthy NY coverage through your company after joining your firm?



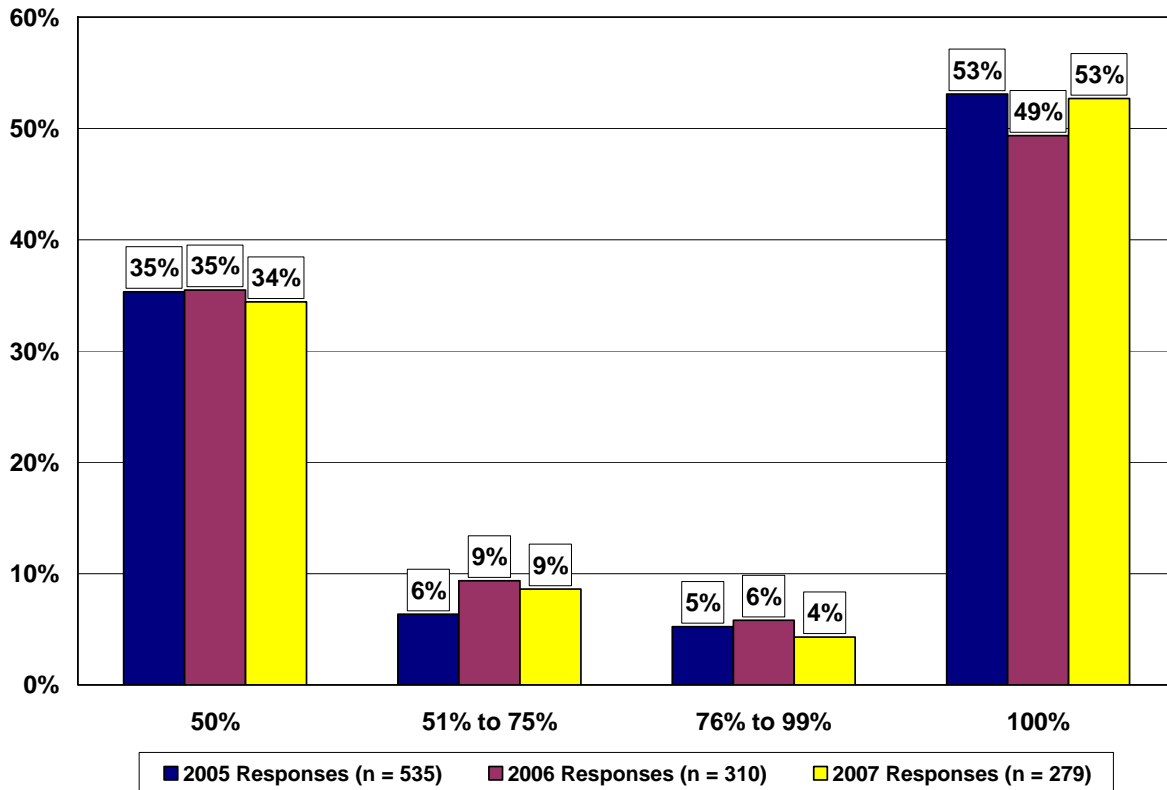
For employers with a waiting period, we asked them why their company has this waiting period and received a wide variety of responses. Three-fifths (61 percent) responded that it was in order to ensure that the employee stays with the company or because of high turnover. Another 12 percent cited a probationary or training period as the reason for the waiting period before obtaining Healthy NY coverage. The remaining responses covered a variety of reasons from cost of coverage to the fact that the company hires seasonal employees to just “normal processing time”.

Employer Premium Contributions

Small businesses that offer Healthy NY are required to contribute at least 50 percent of the individual premium. Figure V-11 demonstrates that only one-third (34 percent) of the survey respondents pay the minimum amount; a percentage that has remained consistent over the past three years. Half (53 percent) of 2007 survey respondents were very generous to their employees and pay the entire Healthy NY premium for their employees, with an additional 13 percent stating they pay more than 50 percent but less than the entire premium. These results are very similar to the 2006 and 2005 survey responses.

Figure V-11
Employer Individual Premium Contribution Percentage

Survey Question: Under Healthy NY guidelines, employers must contribute at least 50% towards the premium for individual coverage. How much does your company contribute?

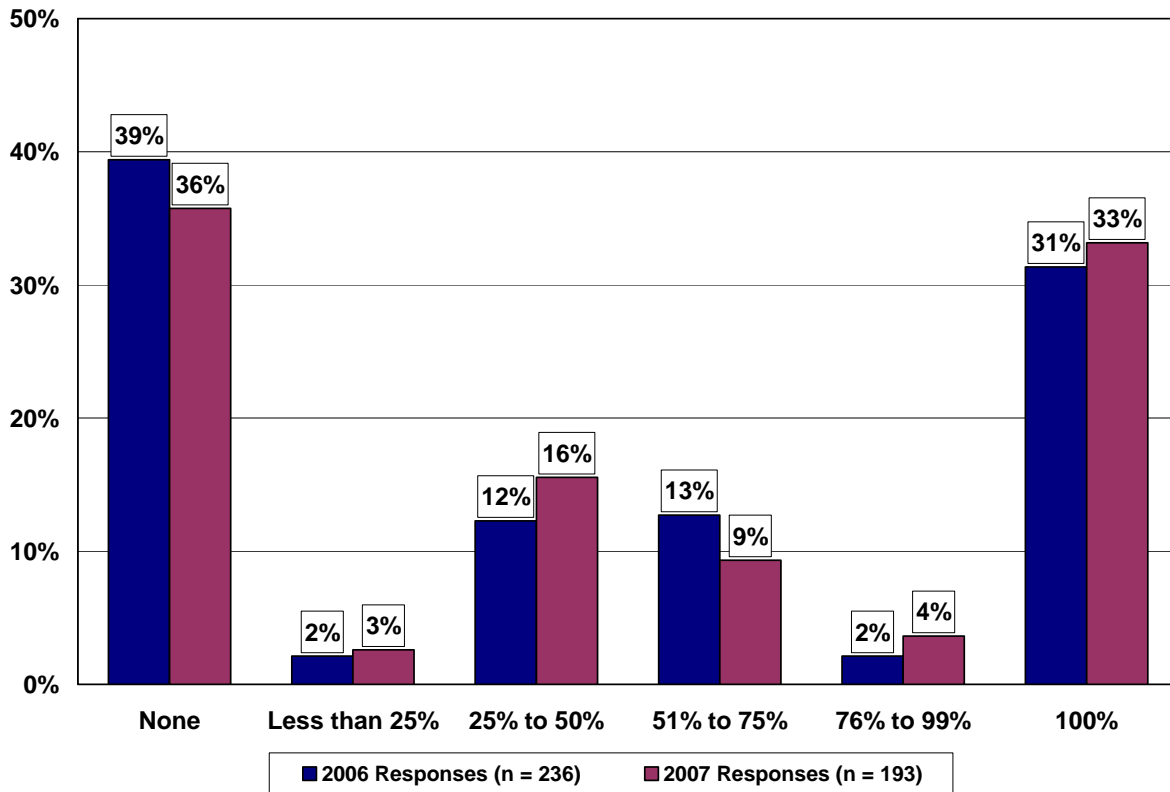


Two-thirds or more of employer respondents located in the Buffalo (71 percent) or New York City (66 percent) areas pay the entire Healthy NY individual premium. On the opposite end of the payment spectrum, about half of employers in both the Utica/Watertown and Syracuse areas pay the minimum amount.

Employers are not required to contribute an additional amount for family coverage beyond the individual amount. However, a majority of employers contributed at least some percentage towards family coverage. Only 36 percent of employer survey respondents say they contributed nothing towards family coverage premiums. One-third (33 percent) of employers contributed 100 percent of the family premium. The remaining three-tenths (31 percent) contributed a percentage of the premium, but not the entire amount. Figure V-12 shows that the percentage of employers in each contribution range is similar in both the 2006 and 2007 surveys.

**Figure V-12
Employer Family Coverage Premium Contribution Percentage**

Survey Question: How much does your company contribute towards family coverage?



There was a difference in employer premium contribution levels between those employers that have had an employee choose the family coverage option versus those that have not had one choose this option. A majority (63 percent) of employers who have not had an employee choose family coverage pay nothing for the family premium costs, compared to only 22 percent of employers that had an employee choose family coverage. Forty-three percent of employees with an employee who has chosen the family coverage option pay all 100 percent of the family premiums, twice the amount of employers who pay zero percent. It appears that when employers pay some or all the premium that employees use the family coverage option. This lack of family premium contribution may be a primary reason that some employees have not chosen to take advantage the family coverage option.

Previous Insurance History

Healthy NY continues to be a new offering for the vast majority of the employers surveyed. According to employer survey respondents, over four-fifths (83 percent) of them did not offer health insurance prior to enrolling in Healthy NY. Twelve percent offered it previously with similar benefits, while five percent offered health insurance with more limited benefits than Healthy NY. A question in the 2005 and 2006 surveys on the same topic, but with slightly

different question wording²⁵ yielded very similar results. There was little variation among 2007 small business employer respondents located in different areas of the state in terms of previously offering health insurance.

Reasons for Offering Health Insurance and Insurer Choice

Employers split on their primary motivation for offering health insurance, but more clear that they were offering Healthy NY because of its reasonable price. There was a shift compared to previous survey results on the question of why the company selected Healthy NY. Employers also split on their reasons for selecting the HMO or insurer their company uses for Healthy NY coverage with three reasons tied at the top.

Reasons for Offering Health Insurance and Healthy NY

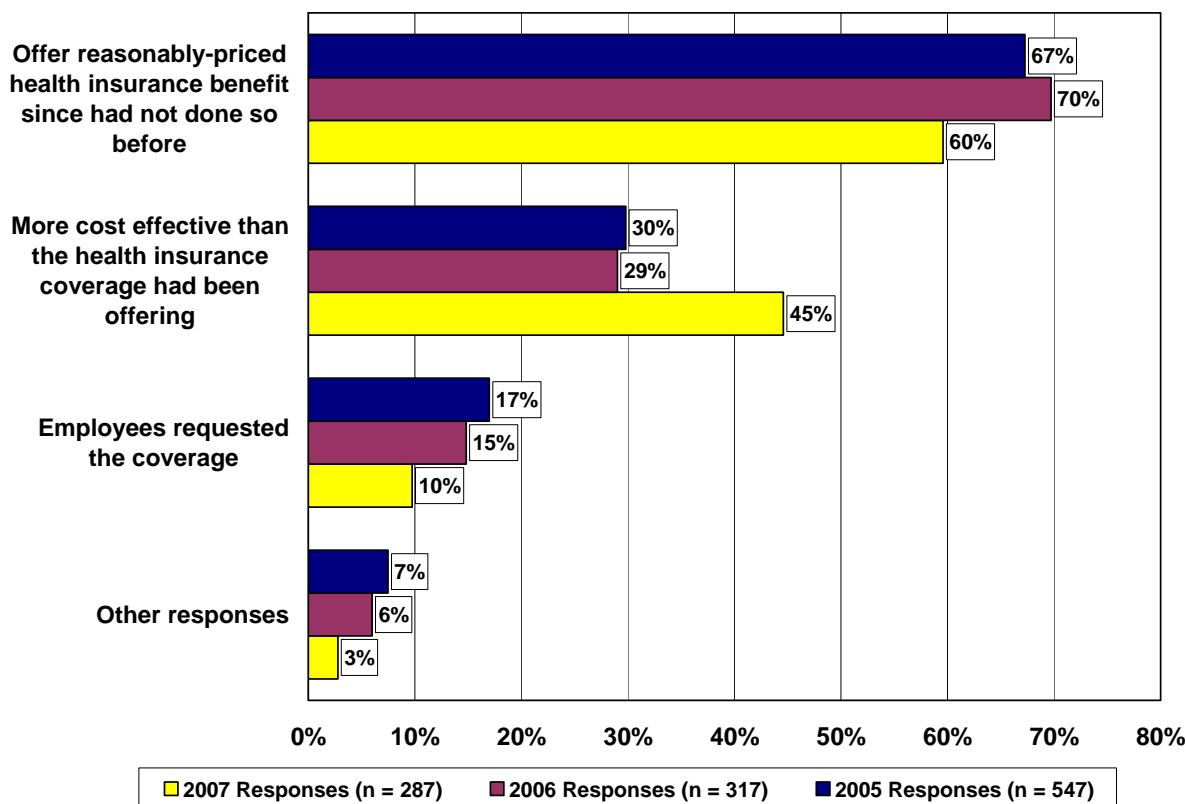
Since most companies had not offered health insurance before, the ability to offer a reasonably-priced health insurance benefit was the top reason employers gave for enrolling their business in Healthy NY. This was also the top reason in the 2005 and 2006 surveys²⁶, but as shown in Figure V-13, the percentage of employers choosing this response declined in 2007. More employers in the 2007 survey than in previous surveys said they offer Healthy NY because it is more cost effective than the coverage they had previously been offering.

Employers located in the Long Island area were just as likely to cite the ability to offer a reasonably-priced benefit as they were to say Healthy NY is more cost effective than the coverage they had been offering. In every other part of the state, more employers more frequently cited the ability to offer a reasonably-priced benefit.

²⁵ The 2006 survey question read, "Before enrolling in Healthy NY, did your business offer health insurance to its employees?" Eighty-three percent responded "No" and 17 percent answered "Yes".

²⁶ The 2007 survey question wording was slightly different than the 2006 and 2005 survey wording, which read "For what reasons did you enroll your business in Healthy NY?"

Figure V-13
Reasons for Selecting Healthy NY Coverage
Survey Question: Why did your company select Healthy NY?

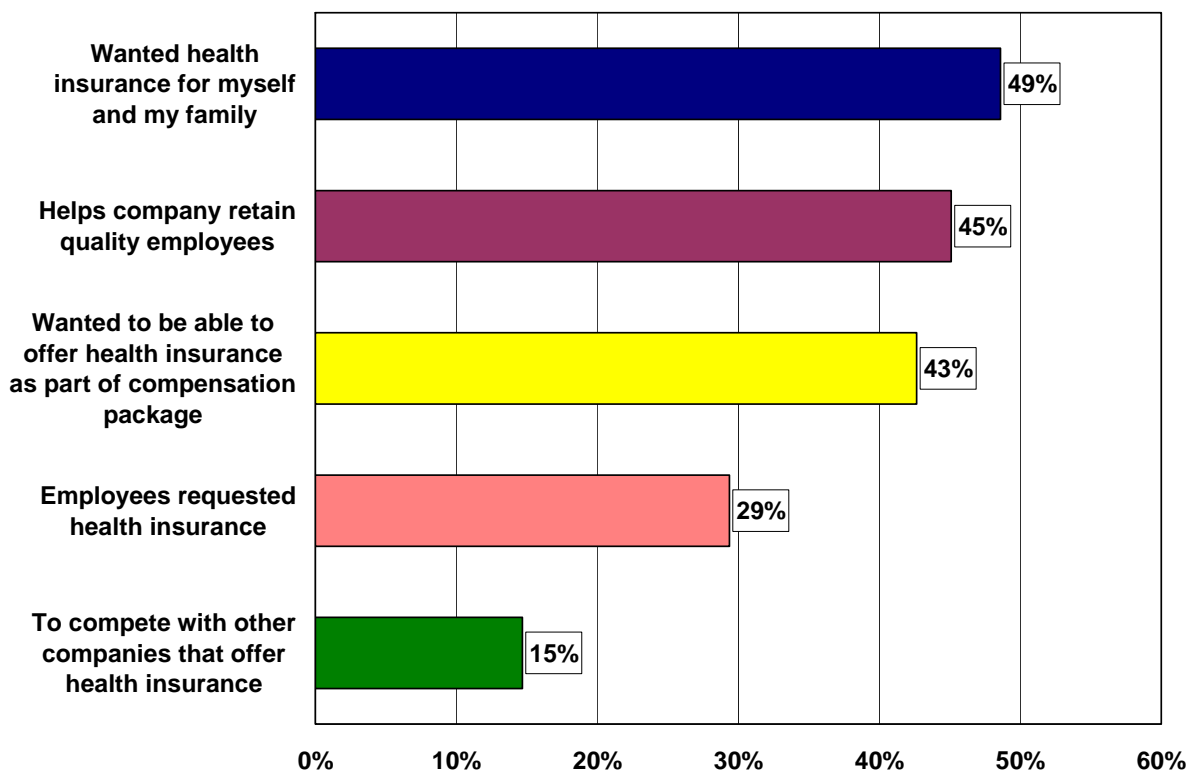


Ten percent cited employees requesting Healthy NY coverage, down slightly from the 2006 and 2005 survey results. Employer survey respondents had space to list additional reasons for selecting Healthy NY, but only three percent listed another response this year, down from six percent in 2006 and seven percent in 2005.

New to this year’s survey was a question about reasons the company decided to offer health insurance. The survey listed five choices with space to write down another reason. As shown in Figure V-14, around half of the employers who answered the question cited a desire to have health insurance for themselves or their family (49 percent), to help retain quality employees (45 percent) or to be able to offer health insurance as part of the compensation package (43 percent) as a reason their company decided to offer health insurance.

Figure V-14
Reasons for Offering Health Insurance

Survey Question: Why did your company decide to offer health insurance?

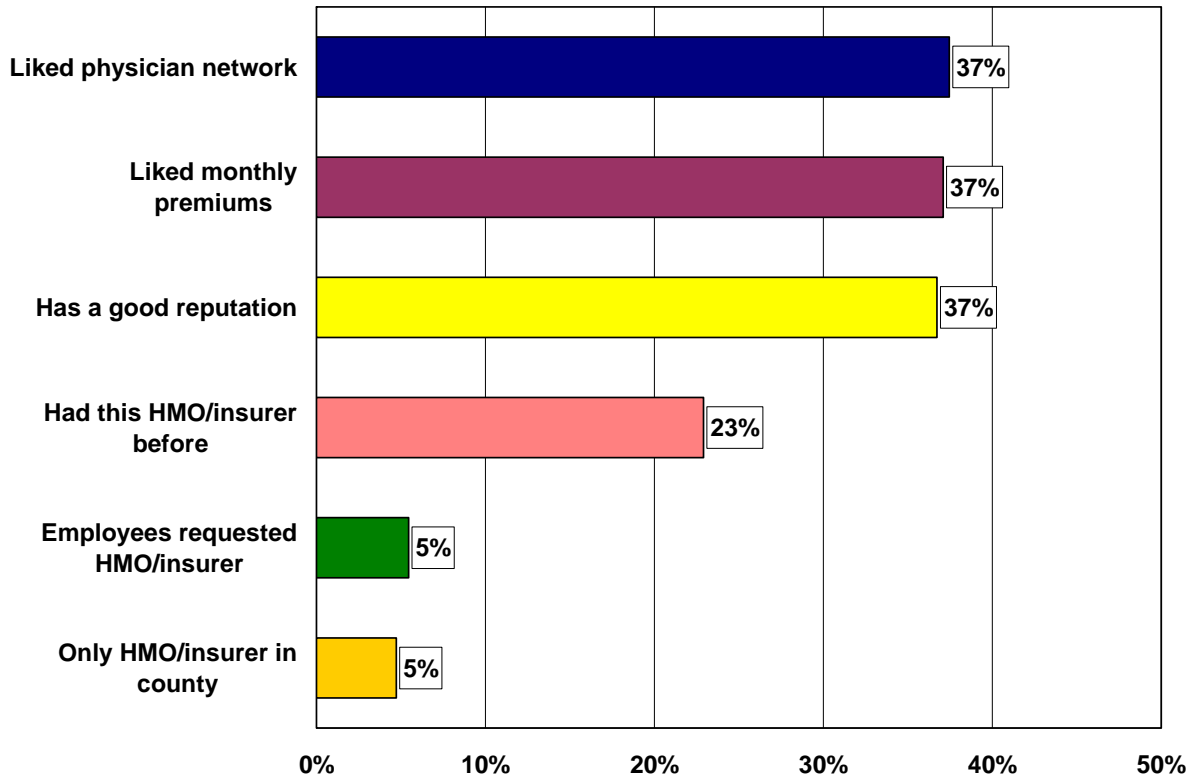


Reasons for Selecting Insurance Provider

Reputation, physician network and monthly premiums tied as the most important reason companies selected their particular HMO or insurer with thirty-seven percent choosing each of these reasons (see Figure V-15). One-quarter (23 percent) cited previous experience with their HMO or insurer, while few chose it based on employee request or because it was the only insurer in their county. This question was also new to this year's survey.

Figure V-15
Reasons for Selecting HMO/Insurer

Survey Question: Which of the following reasons were important in selecting your company's HMO/insurer?



Advertising Source Recall and Use of Insurance Brokers

Employers recalled hearing about Healthy NY in a variety of ways. The top two methods that employers recalled hearing about Healthy NY were television advertising (26 percent) and from a family member, friend or co-worker (24 percent), the same responses that topped both the 2005 and 2006 surveys. Other top sources of recall for 2007 survey respondents were the internet (15 percent), insurance broker (15 percent) and radio advertising (12 percent). Only five percent recalled learning about Healthy NY from newspaper or magazine advertising. The percentage citing insurance brokers as a source of hearing about Healthy NY increased in 2007 from previous survey results, as only seven percent cited them as a source in 2006 and nine percent did in 2005.

Overall, one in six (16 percent) employers said they used an insurance broker to purchase their company's Healthy NY insurance. Employers in New York City and Long Island were most likely to have used an insurance broker, while no employer survey respondents in either the Buffalo or Rochester areas said they used an insurance broker to purchase Healthy NY insurance.

High Deductible Plan Option

Beginning on January 1, 2007, health plans participating in Healthy NY were required to offer a high deductible health plan to small employers. According to the employer survey results, most employers have not heard about this high deductible health plan option and are not sure if they would be interested in it and few employers have enrolled in one of these plans.

When asked if they had heard of the Healthy NY high deductible plan, nearly half (46 percent) of employer survey respondents said they had not heard of it with an additional 14 percent not sure if they had heard of it. Two-fifths (39 percent) had heard of these plans, but only seven percent said they were enrolled in one of them, while the other one-third (32 percent) had heard of, but not enrolled in, one of these plans. Among small number of respondents who said they enrolled in one of these plans, about half had helped their employees open a Health Savings Account (HSA), while the other half had not. These employers also split on whether or not they would have enrolled in Healthy NY without this option.

During the survey, employers responded to a question about their interest in enrolling in the high deductible plan if they knew the deductible amounts of \$1,150 for individuals and \$2,300 for families in order to gauge future interest in the program. Half (50 percent) were not sure if they would enroll their company, while four times as many survey respondents were not interested (40 percent) as interested (10 percent) in enrolling their company.

Healthy NY Satisfaction Ratings

In general, employers with Healthy NY were satisfied with their HMO or insurer and satisfied with various aspects of the Healthy NY program. Overall satisfaction was down again in 2007 while satisfaction with individual aspects of Healthy NY also decreased from last year's survey. Despite these slight declines in satisfaction ratings, employers continue to believe the availability of Healthy NY had a positive impact on their companies and attribute this mainly to increased employee morale and retention.

Satisfaction with HMO/Insurer

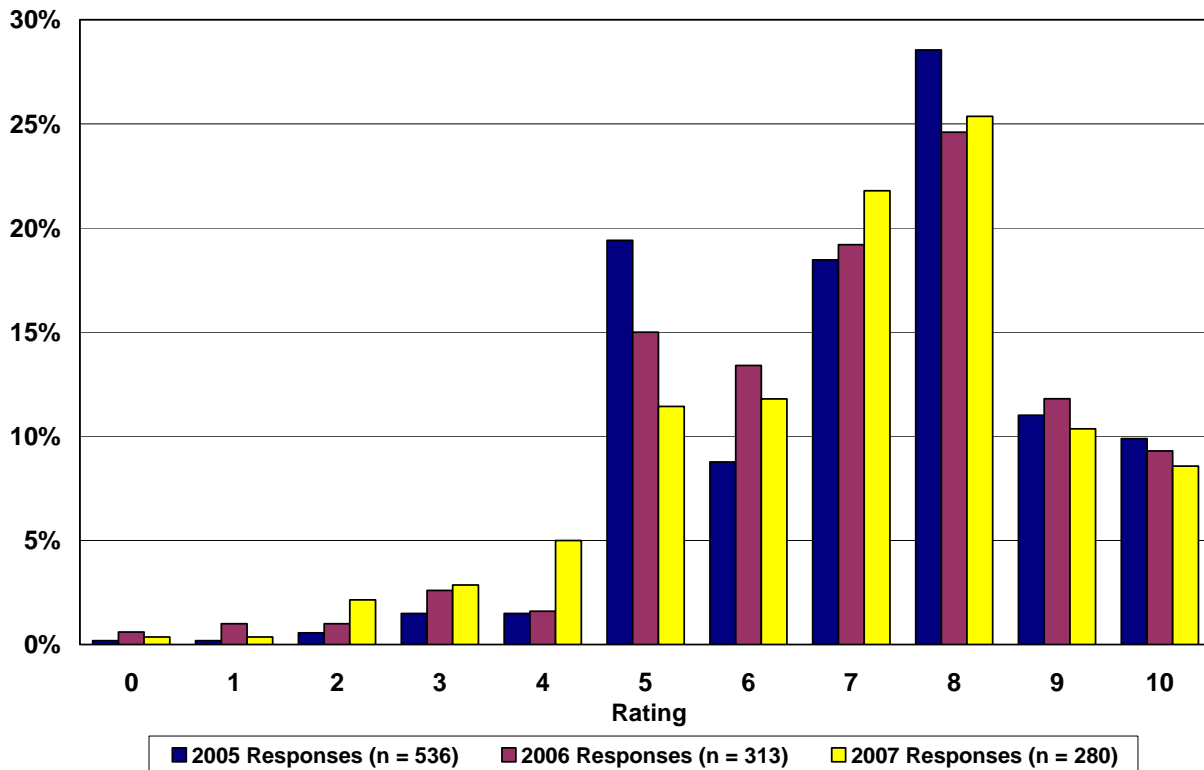
Employers are generally satisfied with their company's HMO or insurer, but HMO/insurer satisfaction ratings have declined slightly over the past three years.²⁷ The average Healthy NY HMO or insurer rating has declined down to 6.95 in 2007 from 7.03 in 2006 and 7.17 in 2005. Respondents rated their HMO or insurer on a rating scale of zero to 10, with zero being the lowest possible rating and 10 being the highest. This slight decline is due to an increase in employer survey respondents who rate their HMO or insurer as a "4" or lower on a 10-point scale, as shown in Figure V-16. This percentage has increased from only four percent in 2005 to

²⁷ The satisfaction question on the 2007 survey is slightly different than the 2006 and 2005 survey question. The 2005 and 2006 questions read "How would you rate your company's current Healthy NY health insurance plan now?", while the 2007 question read "How would you rate the HMO/insurer that your company is enrolled with?"

seven percent in 2006 and finally, up to 11 percent in 2007. At the upper end of the satisfaction range, two-thirds (66 percent) rated their health plan either “7” or higher compared to 68 percent giving those ratings in 2005 and 65 percent in 2006.

Figure V-16
Satisfaction with Healthy NY Insurer

Survey Question: How would you rate the HMO/insurer that your company is enrolled with?



Based on a 0 to 10 rating scale with 0 being the lowest rating and 10 being the highest.

Employer respondents in the Albany area were the most satisfied with their Healthy NY insurer, giving their HMO/insurer a mean satisfaction rating of 7.78. Respondents in the Syracuse (6.22 mean rating) and Westchester (6.35 mean rating) gave satisfaction ratings significantly lower than the overall employer average.

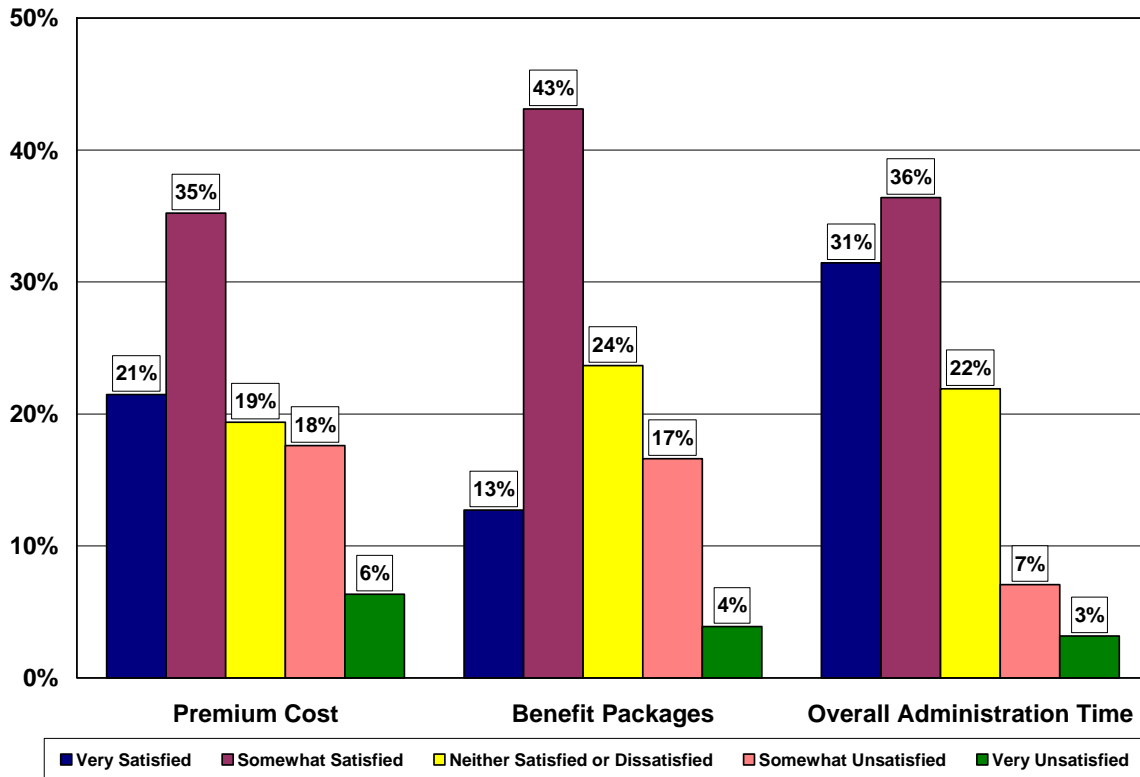
Satisfaction with Program Aspects

Employers were satisfied with all three aspects of the Healthy NY program tested. Employer survey respondents gave the best ratings to the overall amount of administrative time of the program. The ratings for premium cost and benefit packages were similar with premium cost rated slightly better. Satisfaction with each of these aspects among employers was lower than in the 2006 survey, but on par with the 2005 survey results.

Two-thirds (68 percent) of employer survey respondents were satisfied with the overall amount of administration time for Healthy NY. In contrast, only 56 percent were satisfied with the premium cost to their company and benefit packages. There were more employers very satisfied with the premium cost than the benefit packages. Figure V-17 shows these results.

Figure V-17
Satisfaction with Various Aspects of the Healthy NY Program

Survey Question: As an employer, please tell me how satisfied you are with the following aspects of the Healthy NY program



As we can see in Table V-1, satisfaction with each of these three aspects of Healthy NY has fluctuated over the past three years. The 2007 survey respondents were less satisfied with the premium cost and benefit packages²⁸ than they were last year. Compared to the 2005 survey results, satisfaction has increased, even as the mean satisfaction rating has stayed the same. Satisfaction with the overall amount of administration time is down in 2007 compared to the 2006 survey results, having gone back to 2005 survey satisfaction levels.

²⁸ In the 2005 and 2006 survey, benefit packages was called benefit coverage.

Table V-1: Trend Satisfaction Ratings

Aspect of Healthy NY	Percent Satisfied			Mean Rating		
	2005	2006	2007	2005	2006	2007
Premium Cost	46	65	57	3.48	3.59	3.48
Benefit Packages	46	64	56	3.46	3.56	3.44
Overall Administration Time	69	77	68	3.93	3.99	3.86

There are differences in satisfaction ratings on the aspects of the program tested by area of the state as seen in Table V-2. Employers in the Syracuse area were less satisfied across the board than employers in other areas of the state with all aspects of the program. Albany employers are more satisfied with premium cost than employers in other areas of the state and are also as satisfied with cost as they are with administration time. Less than half of employers in the Mid-Hudson and Syracuse area were satisfied with the premium cost to their company, while employers in the New York City and Rochester areas are more satisfied with premium costs.

Table V-2: Satisfaction with Various Healthy NY Features by Area

Aspect of Healthy NY	Percent Satisfied				
	Statewide	Albany	Buffalo	Long Island	Mid-Hudson
Premium Cost	57	78	50	56	46
Benefit Coverage	56	65	53	55	61
Overall Administration Time	68	74	75	70	69
	New York City	Rochester	Syracuse	Utica/Watertown	Westchester
Premium Cost	65	65	43	59	63
Benefit Coverage	60	60	39	55	54
Overall Administration Time	69	70	48	68	71

Impact of Healthy NY on Business

For the third year in a row, employer survey respondents believed that the availability of Healthy NY has had a positive impact on their business and attribute this positive impact to increased employee morale and retention.

Ninety-one percent of 2007 employer survey respondents said the availability of Healthy NY had a positive impact on their business, slightly higher than in 2005 and 2006 when 86 percent called Healthy NY a positive impact. There is little to no variation by area as employers throughout the state agreed on the positive impact of the program.

The most common positive impacts cited by employers who believe Healthy NY has had a positive impact are increased employee morale (64 percent) and increased employee retention (59 percent). These were the top two impacts cited in the 2006 and 2005 surveys, with an increase in the number of employers citing retention as a positive impact. Few respondents credited Healthy NY for lower absenteeism rates.

Healthy NY Concerns and Complaints

Employer satisfaction with HMOs and insurers and the Healthy NY program continues to be high. Not surprisingly, most employers did not hear complaints from their employees about the service from their HMO or insurer. However, employers continued to express concern about their ability to stay in the Healthy NY program due to premium increases.

Healthy NY Premium Increase Concerns

Healthy NY premium increases continue to concern small business employer survey respondents as 85 percent of employer survey respondents said that they were concerned about their ability to stay in the program from year to year due to premium increases. In both 2005 and 2006, about three-quarters of employer survey responded likewise. While employers in all areas of the state were concerned, employers located in the New York City (95 percent) and Mid-Hudson (94 percent) areas were even more likely to be concerned.

Healthy NY Complaints

Most employers had not heard any complaints from their employees about service from the company's HMO or insurer. About one in six (16 percent) employers who returned the 2007 survey said they had employees complaining to them regarding the service from the company's HMO or insurer. This was higher than the complaint level of 13 percent from the 2005 survey, but lower than the 20 percent mark in 2006. Employers in the Westchester (35 percent) and Syracuse (32 percent) areas were most likely to report employee complaints. These were also the areas with the lowest satisfaction ratings for their HMO or insurer.

Qualitative Responses

We asked survey respondents once again in 2007 to recommend ways to attract more small business employers to Healthy NY and for comments on positive aspects of the Program and areas for improvement. About two-thirds of survey respondents provided a suggestion for ways to attract more small business employers, while only around half commented on their favorite aspects of Healthy NY or an area for improvement.

How to Attract More Small Employers

Overall, 191 employers responded with a suggestion on how to attract more small business employers to Healthy NY, for a response rate of 65 percent. Since employers could make up to three suggestions, there were a total of 321 suggestions. Cost, benefit and advertising suggestions were the most popular suggestions in both 2006 and 2007 (see Table V-3).

Table V-3: Distribution of Open-Ended Comments on How to Attract More Small Business Employers to Healthy NY - Comparison by Major Category by Year

Category	Percent of 2006 Responses	Percent of 2007 Responses
Availability	10.7	7.5
Benefits	24.5	24.9
Cost	33.1	41.1
Choice	5.4	3.1
Information Available	25.1	18.4
Other	1.2	5.0

Cost-related suggestions, such as lowering the cost in general, lowering premiums, keeping costs more affordable, and so on, were two-fifths of the 2007 suggestions. This is an increase from the one-third of the comments related to cost from the 2006 survey. Comments about premiums were 22 percent of the overall comments, followed by 14 percent with general cost comments and five percent on other specific cost topics, such as deductibles, prescription drugs or copayments.

Comments about benefits compromised one-quarter (25 percent) of the suggestions in both 2006 and 2007. Specific benefit package suggestions, such as adding dental, vision, chiropractic or physical therapy, were 15 percent of the overall comments with no single specific suggestion accounting for more than four percent on its own. Generic comments about better benefits or

coverage were five percent of the comments, four percent were about the pharmacy benefit and one percent involved referrals.

Eighteen percent of the comments were suggestions related to the information available about Healthy NY, with nearly all (17 percent) of these comments invoking a call for more advertising. Ten percent provided generic advertising suggestions, such as “Advertise more” or “Advertise”, while the remaining seven percent had specific advertising-related suggestions. This is down from the 25 percent of the comments involving information available or advertising in 2006.

Drawing less than ten percent of the improvement suggestions were availability (7 percent) and choice (3 percent), while five percent of the comments fell into the “other” category. Most of the comments on availability involved calls for increasing or changing the Healthy NY eligibility requirements or making Healthy NY more available to New York businesses and residents.

Positive and Negative Program Feedback

Only 154 employers gave a response for one of their favorite things about the Healthy NY program that they would not change, while 151 employers contributed an area for improvement, for response rates of around 50 percent (52 percent positive and 51 percent negative). There were more positive comments (295 total comments) than areas for improvement (258 total comments), but fewer comments in the 2007 survey than in 2006. More employers offered a suggestion on how Healthy NY could attract new businesses than offered either a positive and negative comment about the program.

On the positive side, comments about cost were the clear favorite thing about Healthy NY for employer survey respondents with 44 percent of comments related to cost. This is unchanged as the top response from the 2006 and 2005 surveys. Choice (18 percent), benefits (17 percent) and availability (14 percent) comments received roughly equal numbers of comments on the positive side, a change from previous surveys when availability was the second most popular choice for respondents.

Benefits and cost are the most often cited areas for improvement for Healthy NY by survey respondents. In 2007, two-fifths (40 percent) cited benefits while one-third (33 percent) cited cost. This is an increase in cost as an area for improvement, but a decline in benefits from 2006 when half (51 percent) of survey respondents cited it as an area needing improvement.

Table V-4 shows the distribution of comments by major category for the past three surveys.

Table V-4: Distribution of Open-Ended Positive and Negative Aspects of Healthy NY – Comparison by Major Category by Year

Category	Percent Citing Positive Aspect of Program			Percent Citing Negative Aspect of Program		
	2005	2006	2007	2005	2006	2007
Availability	21.5	28.0	14.2	7.8	6.0	8.5
Benefits	15.5	13.8	16.6	54.4	50.8	39.5
Cost	46.8	39.5	43.7	27.9	29.0	32.6
Choice	9.4	11.8	18.0	5.9	6.3	7.8
Information Available	5.2	5.6	5.1	2.1	7.3	5.8
Other	1.5	1.3	2.4	2.0	0.6	5.8

The positive cost comments were twice as likely to be regarding premiums (22 percent) than general comments on cost (11 percent). Cost comments centered on the cost of prescription drugs or the Healthy NY prescription package were an additional nine percent of responses. Ten percent of survey respondents had positive comments on the provider network, which falls under the choice category, and the administrative ease of the program, which falls under availability. Six percent cited choice of health plans as a positive choice aspect of the program and four percent picked the eligibility requirements or the availability in general of Healthy NY. The positive benefits comments were mostly generic comments on the benefit package (7 percent) or related to the pharmacy benefit or prescription drug package (7 percent).

Cost and benefits comments dominated the negative comments about Healthy NY by a wide margin over all of the other categories. One-quarter (25 percent) of these responses were requests for specific additions to the Healthy NY benefit package, led by “other responses” and physical therapy with six percent and dental and vision with three percent each. Two percent cited dental and vision together as an area for improvement. Six percent also mentioned the prescription drug program as a benefit in need of improvement. The cost comments were spread out more evenly with ten percent citing lower premiums, seven percent asking for lower costs in general, five percent wanting cheaper deductibles and four percent asking for lower cost prescription drugs or copayments. Eight percent of the responses were in the choice category, with six percent dissatisfied in some manner with the provider network. Four percent or fewer cited all of the remaining responses as an area for improvement.

APPENDIX A HEALTHY NY PROGRAM DESCRIPTION

Benefit Package

Healthy NY health plans offer streamlined, but still comprehensive benefit packages. The benefit packages cover essential health needs including inpatient and outpatient hospital services, physician services, maternity care, preventive health services, diagnostic and x-ray services, and emergency services. Enrollees or their employer, for small business enrollees, choose whether or not their benefit package includes prescription drug benefits, which are limited to a \$3,000 maximum per person per year. The following are benefits listed on the Healthy NY website:

- Inpatient hospital services consisting of daily room and board, general nursing care, special diets and miscellaneous hospital services and supplies
- Outpatient hospital services consisting of diagnostic and treatment services
- Physician services consisting of diagnostic and treatment services, consultant and referral services, surgical services (including breast reconstruction surgery after a mastectomy), anesthesia services, second surgical opinion, and a second opinion for cancer treatment
- Outpatient surgical facility charges related to a covered surgical procedure
- Pre-admission testing
- Maternity care
- Adult preventive services consisting of mammography screening, cervical cytology screening, periodic physical examinations no more than once every three years, and adult immunizations
- Preventive and primary health care services for dependent children including routine well-child visits and necessary immunizations
- Equipment, supplies and self-management education for the treatment of diabetes
- Diagnostic x-ray and laboratory services
- Emergency services
- Therapeutic services consisting of radiological services, chemotherapy and hemodialysis
- Blood and blood products furnished in connection with surgery or inpatient hospital services

Healthy NY added three new benefits in 2007, these benefits are:

- Diagnostic screening for prostate cancer for men
- Coverage for home health care for up to 40 post-hospital or post-surgical visits in a calendar year
- Coverage for 30 post-hospital or post-surgical visits per calendar year for physical therapy

The Healthy NY benefit package is streamlined and does not include some services, such as the following:

- Dental services
- Vision services
- Mental health services and prescription drugs related to these services
- Alcohol and substance abuse treatment
- Chiropractic coverage
- Hospice care
- Ambulance services
- Durable medical equipment

High Deductible Health Plan Option

Starting on January 1, 2007, Healthy NY health plans were required to offer a high deductible health plan (HDHP). This new option allows those insured by a high deductible health plan to establish a tax-deductible health savings account (HSA) to pay for certain medical expenses. Monthly premium costs for the high deductible health plan option will be lower than the cost of standard Healthy NY. Plans must offer the high deductible health plans with and without prescription drug coverage. Small employers must choose the same option, either the high deductible plan or standard plan, for all employees covered under Healthy NY.

The Healthy NY high deductible health plans must contain an annual deductible of \$1,150 for individual coverage and \$2,300 for family coverage for 2007. Annual out-of-pocket expenses, including deductibles and copayments, may not exceed \$5,250 for self-only coverage and \$10,500 for family coverage. These amounts are adjusted annually for inflation.

High deductible health plan members can access certain preventive services before meeting the deductible. These benefits include well-child and routine prenatal care, prostate cancer screening, mammography, cervical cytology, and adult physicals and immunizations. Copayments will still apply to these services. Money spent on copayments for preventive services do not count towards the deductible. Money spent on medical expenses not covered by the HDHP will not count towards the plan deductible.

High deductible health plan enrollees may set up a health savings account (HSA). An HSA is a savings account used to pay for medical expenses such as deductibles, copayments and over-the-counter medication. HDHP individual enrollees can contribute up to \$2,850 into their HSA account each year, while HDHP family enrollees can contribute up to \$5,650 each year. The federal government sets these maximum contribution amounts annually.

Copayments and Deductibles

Healthy NY covered services are subject to a copayment. Copayments and deductibles are the same across all health plans and enrollment groups and are as follows:

Covered Service	Applicable Copayment
Inpatient hospital services	\$500
Surgical services	Lesser of 20 percent or \$200
Outpatient surgical facility	\$75
Emergency room services	\$50 (Waived if admitted to the hospital)
Prenatal services	\$10
Well-child visits and immunizations	\$0
All other services	\$20
Optional prescription drug benefit	Maximum benefit of \$3,000 per individual per year - \$100 deductible per calendar year (this deductible does not apply to the Healthy NY High Deductible Health Plan Option) - \$10 co-pay for generic drugs - \$20 co-pay for brand name drugs plus the difference in cost between the brand name drug and generic equivalent

Small Business Employers Eligibility Criteria

The Healthy NY program encourages small employers that do not currently provide comprehensive group health insurance coverage to purchase reduced cost coverage for their employees. In order to participate in the Healthy NY program for small employers in 2007, the business must have met the following eligibility criteria:

- It must be located within New York State.
- It has an eligible group of 50 or fewer employees.
- Thirty percent of its employees must earn \$36,500 per year or less. The annual income amount is adjusted annually for inflation.
- It must not have provided health insurance coverage to its employees within the last twelve months, where providing means the employers has not arranged for coverage and contributed at least \$50 per employee per month towards the coverage.

This amount is \$75 if the business is located in the Bronx, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, and Westchester Counties.

- It agrees to contribute at least 50 percent of the Healthy NY individual premium for its employees.
- It agrees to offer Healthy NY to all employees working 20 or more hours per week and earning \$36,500 per year or less (this amount is adjusted annually for inflation).
- It certifies that 50 percent of the eligible employees offered Healthy NY coverage will accept it or already have health insurance coverage through another source, such as a spouse or another government program, and at least one participant earns \$36,500 per year or less (this amount is adjusted annually for inflation).

Individual and Sole Proprietor Eligibility Criteria

Individuals, whose employers do not offer currently provide health insurance coverage, and sole proprietors, defined as the sole owner and only employee of the business may also participate in the Healthy NY program. These individuals must meet the following eligibility criteria:

- Be a New York State resident.
- Either the individual or their spouse must be currently employed or have been employed within the past 12 months.
- Not be eligible for Medicare.
- Meet the 2007 income guidelines listed in the table below:

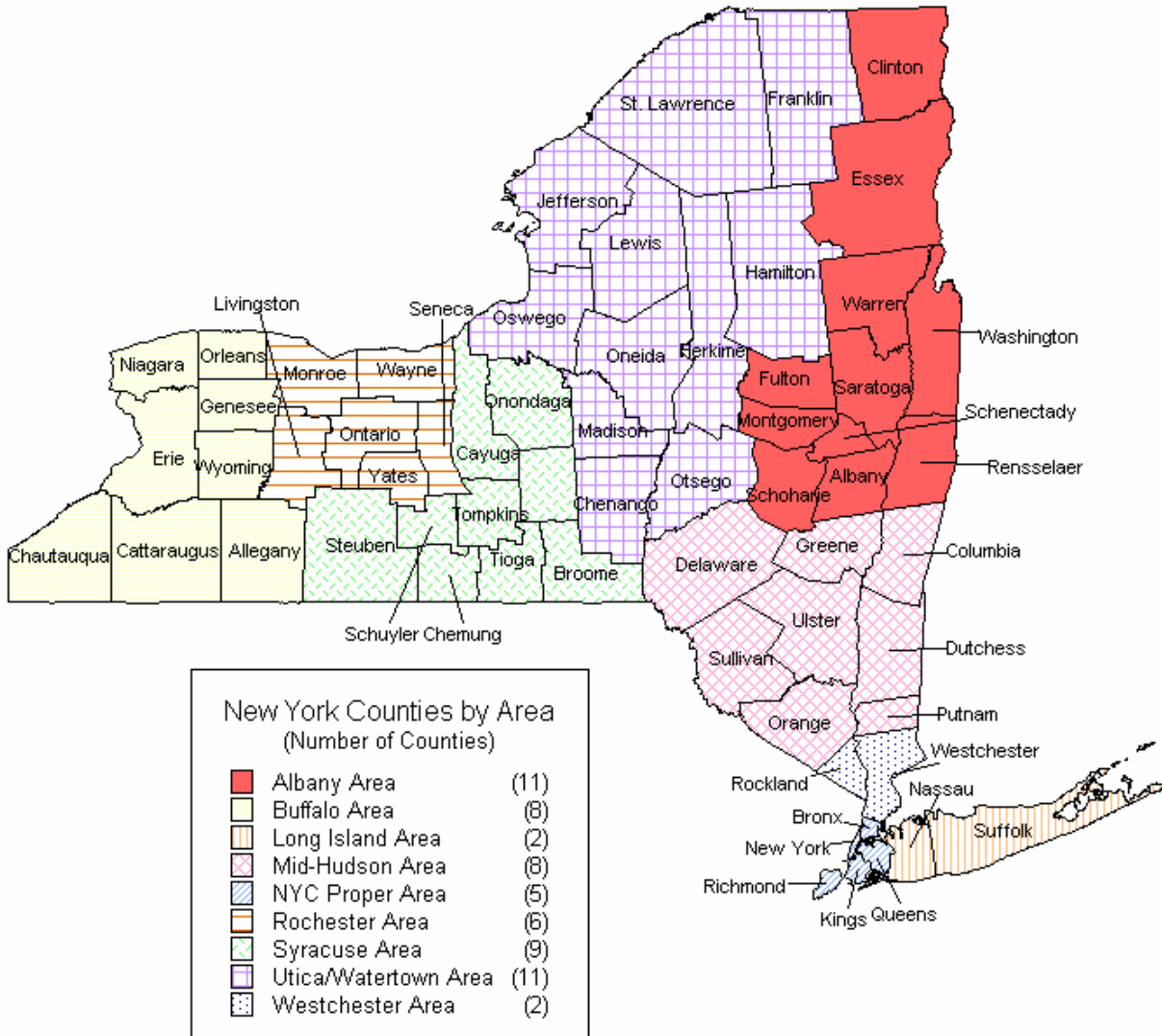
Family Size	Annual Gross Household Income	Monthly Gross Household Income
1	Up to \$25,284	Up to \$2,107
2	Up to \$33,984	Up to \$2,832
3	Up to \$42,684	Up to \$3,557
4	Up to \$51,384	Up to \$4,282
5	Up to \$60,084	Up to \$5,007
Extra Person	Add \$8,700	Add \$725

- Have not had health insurance for twelve months prior to Healthy NY application or have lost health insurance coverage due to a specific event. These events include:
 - Loss of employment
 - Death of a family member
 - Change to a new employer
 - Change of residence

- Discontinuation of a group health plan
- Termination or cancellation of COBRA coverage
- Termination of participation in a public health insurance program
- Legal separation, divorce or annulment
- Loss of eligibility for group health insurance coverage
- Aging off of a parent's insurance policy

**APPENDIX B
NEW YORK STATE REGIONS**

New York State can be broken down into areas based on county in several ways. The 2007 report uses the following breakdown of New York’s 62 counties into nine areas. The 2006 report also used the same breakdown.



APPENDIX C

2007 INDIVIDUAL PREMIUMS WITH PRESCRIPTION DRUG BENEFITS

The following table lists all of the 2007 individual premiums with prescription drug benefits listed on the Healthy NY website under HMOs and Rates by County. Some plans with members in an individual county as of June 1, 2007 are not listed because they did not have an individual premium listed, while some plans with a listed premium, did not have any members in the June 1, 2007 total membership by county and company report sent by the Department of Insurance to EP&P.

The plan within each county listed in **bold** type is the plan with the lowest individual premium for that county, while the plan listed in *italics* type is the plan with the highest individual premium for that county. Please note that Excellus Health Plan has two listed premiums in Genesee, Orleans and Wyoming for different offerings; both premiums are listed in this table.

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
Albany	CDPHP	\$205.23	4,920
Albany	Empire HealthChoice HMO	\$200.53	764
<i>Albany</i>	<i>GHI HMO</i>	<i>\$245.71</i>	<i>46</i>
Albany	HealthNow	\$231.89	1,092
Albany	MVP Health Plan	\$233.53	342
Allegany	Excellus Health Plan	\$170.40	155
<i>Allegany</i>	<i>HealthNow</i>	<i>\$204.56</i>	<i>73</i>
Allegany	Independent Health Association	\$187.03	68
Bronx	Aetna Health Inc.	\$275.13	287
Bronx	Atlantis Health Plan	\$219.49	129
Bronx	CIGNA Healthcare	\$271.20	127
Bronx	Empire HealthChoice HMO	\$231.45	639
<i>Bronx</i>	<i>GHI HMO</i>	<i>\$301.66</i>	<i>29</i>
Bronx	GHI EPO	\$236.92	143

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
Bronx	Health Insurance Plan of New York	\$247.88	86
Bronx	Health Net of New York	\$272.14	13
Bronx	Managed Health	\$221.05	61
Bronx	Oxford Health Plan	\$245.35	388
<i>Broome</i>	<i>Aetna Health Inc.</i>	\$275.13	41
Broome	CDPHP	\$264.50	0
Broome	Excellus Health Plan	\$235.15	583
Broome	GHI HMO	\$245.71	64
Broome	MVP Health Plan	\$235.98	408
Cattaraugus	Excellus Health Plan	\$170.40	247
<i>Cattaraugus</i>	<i>HealthNow</i>	\$204.56	106
Cattaraugus	Independent Health Association	\$187.03	240
<i>Cayuga</i>	<i>Aetna Health Inc.</i>	\$275.13	25
Cayuga	Excellus Health Plan	\$235.15	244
Cayuga	MVP Health Plan	\$235.98	238
Chautauqua	Excellus Health Plan	\$170.40	735
<i>Chautauqua</i>	<i>HealthNow</i>	\$204.56	139
Chautauqua	Independent Health Association	\$187.03	436
Chemung	Excellus Health Plan	\$235.15	322
<i>Chemung</i>	<i>HealthNow</i>	\$279.07	22
<i>Chenango</i>	<i>CDPHP</i>	\$264.50	1
Chenango	Excellus Health Plan	\$218.70	157
Chenango	MVP Health Plan	\$235.98	195

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
Clinton	Empire HealthChoice HMO	\$200.53	121
Clinton	Excellus Health Plan	\$218.70	253
<i>Clinton</i>	<i>HealthNow</i>	\$231.89	92
Columbia	CDPHP	\$205.23	160
Columbia	Empire HealthChoice HMO	\$200.53	262
<i>Columbia</i>	<i>GHI HMO</i>	\$245.71	53
Columbia	HealthNow	\$231.89	44
Columbia	MVP Health Plan	\$233.53	193
Cortland	Excellus Health Plan	\$235.15	242
<i>Cortland</i>	<i>MVP Health Plan</i>	\$235.98	63
<i>Delaware</i>	<i>CDPHP</i>	\$264.50	12
Delaware	Empire HealthChoice HMO	\$200.53	140
Delaware	Excellus Health Plan	\$218.70	90
Delaware	GHI HMO	\$245.71	33
Delaware	MVP Health Plan	\$235.98	170
Dutchess	Aetna Health Inc.	\$275.13	301
<i>Dutchess</i>	<i>CDPHP</i>	\$313.65	15
Dutchess	Empire HealthChoice HMO	\$218.56	1,439
Dutchess	GHI HMO	\$269.47	293
Dutchess	Health Net of New York	\$274.80	18
Dutchess	MVP Health Plan	\$265.65	1,756
Dutchess	Oxford Health Plans	\$245.35	128
Erie	Excellus Health Plan	\$170.40	3,036
<i>Erie</i>	<i>HealthNow</i>	\$204.56	2,496

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
Erie	Independent Health Association	\$187.03	5,195
Essex	CDPHP	\$264.50	0
Essex	Empire HealthChoice HMO	\$200.53	95
Essex	Excellus Health Plan	\$218.70	211
Essex	HealthNow	\$231.89	59
Franklin	Excellus Health Plan	\$218.70	371
Fulton	CDPHP	\$205.23	18
Fulton	Empire HealthChoice HMO	\$200.53	124
Fulton	Excellus Health Plan	\$218.70	38
<i>Fulton</i>	<i>GHI HMO</i>	\$245.71	0
Fulton	HealthNow	\$231.89	44
Fulton	MVP Health Plan	\$233.53	141
Genesee	Excellus Health Plan	\$170.40	122
Genesee	Excellus Health Plan	\$166.82	122
Genesee	HealthNow	\$204.56	44
Genesee	Independent Health Association	\$187.03	177
<i>Genesee</i>	<i>Preferred Care</i>	\$219.46	51
Greene	CDPHP	\$205.23	92
Greene	Empire HealthChoice HMO	\$200.53	244
<i>Greene</i>	<i>GHI HMO</i>	\$245.71	48
Greene	HealthNow	\$231.89	56
Greene	MVP Health Plan	\$233.53	143
<i>Hamilton</i>	<i>CDPHP</i>	\$264.50	4

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
Hamilton	Excellus Health Plan	\$218.70	35
Hamilton	MVP Health Plan	\$233.53	39
<i>Herkimer</i>	<i>CDPHP</i>	\$264.50	3
Herkimer	Excellus Health Plan	\$218.70	328
Herkimer	MVP Health Plan	\$235.98	202
Jefferson	Excellus Health Plan	\$218.70	667
<i>Jefferson</i>	<i>MVP Health Plan</i>	\$235.98	32
Kings	Aetna Health Inc.	\$275.13	1,157
Kings	Atlantis Health Plan	\$219.49	762
Kings	CIGNA Healthcare	\$271.20	435
Kings	Empire HealthChoice HMO	\$231.45	4,320
<i>Kings</i>	<i>GHI HMO</i>	\$301.66	147
Kings	GHI EPO	\$236.92	1,562
Kings	Health Insurance Plan of New York	\$247.88	461
Kings	Health Net of New York	\$272.14	93
Kings	Managed Health	\$221.05	202
Kings	Oxford Health Plans	\$245.35	1,914
Lewis	Excellus Health Plan	\$218.70	269
<i>Lewis</i>	<i>MVP Health Plan</i>	\$235.98	95
Livingston	Excellus Health Plan	\$180.78	439
<i>Livingston</i>	<i>Preferred Care</i>	\$219.46	37
<i>Madison</i>	<i>CDPHP</i>	\$264.50	2
Madison	Excellus Health Plan	\$218.70	236

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
Madison	MVP Health Plan	\$235.98	229
Monroe	Excellus Health Plan	\$180.78	4,775
<i>Monroe</i>	<i>HealthNow</i>	\$256.88	22
Monroe	Preferred Care	\$219.46	589
Montgomery	CDPHP	\$205.23	12
Montgomery	Empire HealthChoice HMO	\$200.53	127
Montgomery	Excellus Health Plan	\$218.70	73
<i>Montgomery</i>	<i>GHI HMO</i>	\$245.71	26
Montgomery	HealthNow	\$231.89	21
Montgomery	MVP Health Plan	\$233.53	158
Nassau	Aetna Health Inc.	\$275.13	1,531
Nassau	CIGNA Healthcare	\$271.20	813
Nassau	Empire HealthChoice HMO	\$231.45	6,056
<i>Nassau</i>	<i>GHI HMO</i>	\$301.66	135
Nassau	GHI EPO	\$236.92	1,272
Nassau	Health Insurance Plan of New York	\$247.88	1,549
Nassau	Health Net of New York	\$254.07	114
Nassau	Managed Health	\$221.05	156
Nassau	MDNY HealthCare	\$256.37	0
Nassau	Oxford Health Plans	\$245.35	2,436
New York	Aetna Health Inc.	\$275.13	1,031
New York	Atlantis Health Plan	\$219.49	578
New York	CIGNA Healthcare	\$271.20	713
New York	Empire HealthChoice HMO	\$231.45	2,702

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
New York	GHI HMO	\$301.66	104
New York	GHI EPO	\$236.92	748
New York	Health Insurance Plan of New York	\$247.88	228
New York	Health Net of New York	\$272.14	121
New York	Managed Health	\$221.05	127
New York	Oxford Health Plans	\$245.35	2,059
Niagara	Excellus Health Plan	\$170.40	593
Niagara	HealthNow	\$204.56	175
Niagara	Independent Health Association	\$187.03	1,475
Oneida	CDPHP	\$264.50	9
Oneida	Excellus Health Plan	\$218.70	1,068
Oneida	MVP Health Plan	\$235.98	805
Onondaga	Aetna Health Inc.	\$275.13	109
Onondaga	Excellus Health Plan	\$235.15	1,533
Onondaga	HealthNow	\$264.46	136
Onondaga	MVP Health Plan	\$235.98	1,031
Ontario	Excellus Health Plan	\$180.78	817
Ontario	Preferred Care	\$219.46	97
Orange	Aetna Health Inc.	\$275.13	347
Orange	CDPHP	\$246.55	6
Orange	CIGNA Healthcare	\$271.20	172
Orange	Empire HealthChoice HMO	\$218.56	1,799
Orange	GHI HMO	\$269.47	503
Orange	Health Insurance Plan of New York	\$247.88	17

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
Orange	Health Net of New York	\$274.80	10
Orange	MVP Health Plan	\$265.65	603
Orange	Oxford Health Plans	\$245.35	205
Orleans	Excellus Health Plan	\$170.40	90
Orleans	Excellus Health Plan	\$166.82	90
Orleans	HealthNow	\$204.56	14
Orleans	Independent Health Association	\$187.03	58
<i>Orleans</i>	<i>Preferred Care</i>	\$219.46	32
<i>Oswego</i>	<i>Aetna Health Inc.</i>	\$275.13	73
Oswego	Excellus Health Plan	\$235.15	383
Oswego	HealthNow	\$264.46	80
Oswego	MVP Health Plan	\$235.98	96
<i>Otsego</i>	<i>CDPHP</i>	\$264.50	18
Otsego	Excellus Health Plan	\$218.70	273
Otsego	GHI HMO	\$245.71	10
Otsego	MVP Health Plan	\$235.98	221
<i>Putnam</i>	<i>Aetna Health Inc.</i>	\$275.13	286
Putnam	CIGNA Healthcare	\$271.20	67
Putnam	Empire HealthChoice HMO	\$218.56	652
Putnam	GHI HMO	\$269.47	128
Putnam	Health Net of New York	\$274.80	11
Putnam	MVP Health Plan	\$265.65	105
Putnam	Oxford Health Plans	\$245.35	179
Queens	Aetna Health Inc.	\$275.13	1,089

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
Queens	Atlantis Health Plan	\$219.49	533
Queens	CIGNA Healthcare	\$271.20	459
Queens	Empire HealthChoice HMO	\$231.45	3,984
<i>Queens</i>	<i>GHI HMO</i>	\$301.66	140
Queens	GHI EPO	\$236.92	884
Queens	Health Insurance Plan of New York	\$247.88	595
Queens	Health Net of New York	\$272.14	36
Queens	Managed Health	\$221.05	217
Queens	Oxford Health Plans	\$245.35	2,581
Rensselaer	CDPHP	\$205.23	244
Rensselaer	Empire HealthChoice HMO	\$200.53	386
<i>Rensselaer</i>	<i>GHI HMO</i>	\$245.71	60
Rensselaer	HealthNow	\$231.89	69
Rensselaer	MVP Health Plan	\$233.53	233
Richmond	Aetna Health Inc.	\$275.13	357
Richmond	Atlantis Health Plan	\$219.49	176
Richmond	CIGNA Healthcare	\$271.20	205
Richmond	Empire HealthChoice HMO	\$231.45	819
<i>Richmond</i>	<i>GHI HMO</i>	\$301.66	92
Richmond	GHI EPO	\$236.92	486
Richmond	Health Insurance Plan of New York	\$247.88	92
Richmond	Health Net of New York	\$272.14	11
Richmond	Managed Health	\$221.05	35
Richmond	Oxford Health Plans	\$245.35	431

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
Rockland	Aetna Health Inc.	\$275.13	576
Rockland	CIGNA Healthcare	\$271.20	180
Rockland	Empire HealthChoice HMO	\$231.45	1,349
Rockland	GHI HMO	\$269.47	215
Rockland	GHI EPO	\$236.92	398
Rockland	Health Insurance Plan of New York	\$247.88	41
<i>Rockland</i>	<i>Health Net of New York</i>	\$298.69	18
Rockland	MVP Health Plan	\$265.65	17
Rockland	Oxford Health Plans	\$245.35	475
Saratoga	CDPHP	\$205.23	275
Saratoga	Empire HealthChoice HMO	\$200.53	776
<i>Saratoga</i>	<i>GHI HMO</i>	\$245.71	48
Saratoga	HealthNow	\$231.89	121
Saratoga	MVP Health Plan	\$233.53	600
Schenectady	CDPHP	\$205.23	202
Schenectady	Empire HealthChoice HMO	\$200.53	336
<i>Schenectady</i>	<i>GHI HMO</i>	\$245.71	27
Schenectady	HealthNow	\$231.89	60
Schenectady	MVP Health Plan	\$233.53	407
Schoharie	CDPHP	\$205.23	21
Schoharie	Empire HealthChoice HMO	\$200.53	88
Schoharie	Excellus Health Plan	\$218.70	3
<i>Schoharie</i>	<i>GHI HMO</i>	\$245.71	5
Schoharie	MVP Health Plan	\$233.53	59

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
Schuyler	Excellus Health Plan	\$235.15	95
Seneca	Excellus Health Plan	\$180.78	170
<i>Seneca</i>	<i>Preferred Care</i>	\$219.46	12
St. Lawrence	Excellus Health Plan	\$218.70	383
Steuben	Excellus Health Plan	\$235.15	489
Suffolk	Aetna Health Inc.	\$275.13	1,501
Suffolk	CIGNA Healthcare	\$271.20	1,009
Suffolk	Empire HealthChoice HMO	\$231.45	8,000
<i>Suffolk</i>	<i>GHI HMO</i>	\$301.66	64
Suffolk	GHI EPO	\$236.92	736
Suffolk	Health Insurance Plan of New York	\$247.88	2,728
Suffolk	Health Net of New York	\$254.07	53
Suffolk	MDNY HealthCare	\$256.37	1,768
Suffolk	Managed Health	\$221.05	375
Suffolk	Oxford Health Plans	\$245.35	1,482
<i>Sullivan</i>	<i>Aetna Health Inc.</i>	\$275.13	46
Sullivan	Empire HealthChoice HMO	\$218.56	580
Sullivan	GHI HMO	\$269.47	131
Sullivan	MVP Health Plan	\$265.65	108
Sullivan	Oxford Health Plans	\$245.35	18
<i>Tioga</i>	<i>Aetna Health Inc.</i>	\$275.13	14
Tioga	CDPHP	\$264.50	7
Tioga	Excellus Health Plan	\$235.15	177

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
Tioga	MVP Health Plan	\$235.98	76
Tompkins	Excellus Health Plan	\$235.15	560
<i>Ulster</i>	<i>Aetna Health Inc.</i>	\$275.13	87
Ulster	CDPHP	\$246.55	34
Ulster	Empire	\$218.56	722
Ulster	GHI HMO	\$258.69	356
Ulster	MVP Health Plan	\$235.98	1,856
Ulster	Oxford Health Plans	\$245.35	33
Warren	CDPHP	\$205.23	96
Warren	Empire HealthChoice HMO	\$200.53	413
<i>Warren</i>	<i>GHI HMO</i>	\$245.71	21
Warren	HealthNow	\$231.89	59
Warren	MVP Health Plan	\$233.53	280
Washington	CDPHP	\$205.23	33
Washington	Empire HealthChoice HMO	\$200.53	325
<i>Washington</i>	<i>GHI HMO</i>	\$245.71	11
Washington	HealthNow	\$231.89	65
Washington	MVP Health Plan	\$233.53	291
Wayne	Excellus Health Plan	\$180.78	561
<i>Wayne</i>	<i>HealthNow</i>	\$256.88	0
Wayne	Preferred Care	\$219.46	61
Westchester	Aetna Health Inc.	\$275.13	1,312
Westchester	CIGNA Healthcare	\$271.20	577

County	Health Plan	Individual Premium with Prescription Drug Benefits July 2007	Total Enrollment June 2007
Westchester	Empire HealthChoice HMO	\$231.45	2,850
<i>Westchester</i>	<i>GHI HMO</i>	\$301.66	122
Westchester	GHI EPO	\$236.92	389
Westchester	Health Insurance Plan of New York	\$247.88	83
Westchester	Health Net of New York	\$272.14	148
Westchester	Oxford Health Plans	\$245.35	1,525
Wyoming	Excellus Health Plan	\$170.40	96
Wyoming	Excellus Health Plan	\$166.82	97
Wyoming	HealthNow	\$204.56	41
Wyoming	Independent Health Association	\$187.03	161
<i>Wyoming</i>	<i>Preferred Care</i>	\$219.46	14
Yates	Excellus Health Plan	\$180.78	126
<i>Yates</i>	<i>Preferred Care</i>	\$219.46	9

APPENDIX D

HEALTHY NY INDIVIDUAL AND SOLE PROPRIETOR ENROLLMENT AND HEALTH PLAN OFFERINGS BY INDIVIDUALS WITH PHARMACY BENEFIT PREMIUM RANGES

The following table lists Healthy NY individual and sole proprietor enrollment and health plan offering within seven monthly premium ranges for 2007, 2006, 2005 and 2004.

2007				
Monthly Premium Range	Total Enrollment	Percent of Enrollment	Health Plan Offerings	Percent of Health Plan Offerings
Below \$125	0	0	0	0
\$125-\$150	0	0	0	0
\$150-\$175	4,307	4	11	4
\$175-\$200	11,554	12	14	5
\$200-\$225	20,232	20	75	26
\$225-\$250	48,166	48	107	38
Above \$250	16,181	16	78	27
Total	100,440	100	285	100

2006				
Monthly Premium Range	Total Enrollment	Percent of Enrollment	Health Plan Offerings	Percent of Health Plan Offerings
Below \$125	0	0	0	0
\$125-\$150	0	0	0	0
\$150-\$175	17,823	19	47	15
\$175-\$200	21,282	23	26	8
\$200-\$225	33,926	37	162	52
\$225-\$250	18,321	20	62	20
Above \$250	190	0	14	5
Total	91,542	100	311	100

2005				
Monthly Premium Range	Total Enrollment	Percent of Enrollment	Health Plan Offerings	Percent of Health Plan Offerings
Below \$125	0	0	0	0
\$125-\$150	5,806	8	20	7
\$150-\$175	13,857	19	63	21
\$175-\$200	28,000	39	127	42
\$200-\$225	23,182	32	69	23
\$225-\$250	147	0	9	3
Above \$250	1,270	2	12	4
Total	72,262	100	300	100

2004				
Monthly Premium Range	Total Enrollment	Percent of Enrollment	Health Plan Offerings	Percent of Health Plan Offerings
Below \$125	6,018	12	18	6
\$125-\$150	14,707	29	104	34
\$150-\$175	9,135	18	39	13
\$175-\$200	17,970	36	120	39
\$200-\$225	2,603	5	27	9
\$225-\$250	31	0	2	1
Above \$250	0	0	0	0
Total	50,464	100	310	100

APPENDIX E
PERCENT CHANGE IN ENROLLMENT AND WEIGHTED AVERAGE INDIVIDUAL
PREMIUM WITH PHARMACY BENEFIT BY COUNTY

The following table compares the percent change in enrollment to the percent change in the average weighted premium for individuals with pharmacy benefit by county from 2006 to 2007.

County	Percent Change 2006-2007	
	Enrollment	Average Weighted Premium
Albany	21	14
Allegany	25	15
Bronx	19	13
Broome	9	15
Cattaraugus	13	15
Cayuga	0	13
Chautauqua	26	14
Chemung	35	21
Chenango	5	9
Clinton	5	16
Columbia	-1	14
Cortland	10	8
Delaware	15	15
Dutchess	12	17
Erie	13	15
Essex	29	15
Franklin	29	9
Fulton	0	13
Genesee	8	12

County	Percent Change 2006-2007	
	Enrollment	Average Weighted Premium
Greene	7	14
Hamilton	-3	10
Herkimer	6	10
Jefferson	12	9
Kings	24	13
Lewis	12	9
Livingston	4	7
Madison	-7	10
Monroe	12	15
Montgomery	10	13
Nassau	18	13
New York	10	13
Niagara	23	15
Oneida	11	10
Onondaga	12	18
Ontario	12	7
Orange	10	14
Orleans	5	12
Oswego	13	18
Otsego	20	13
Putnam	8	16
Queens	24	13
Rensselaer	13	14

County	Percent Change 2006-2007	
	Enrollment	Average Weighted Premium
Richmond	19	13
Rockland	13	14
Saratoga	2	14
Schenectady	1	14
Schoharie	1	13
Schuyler	10	9
Seneca	19	7
St. Lawrence	18	9
Steuben	27	9
Suffolk	17	13
Sullivan	8	17
Tioga	3	13
Tompkins	35	9
Ulster	10	14
Warren	8	14
Washington	12	14
Wayne	-5	15
Westchester	10	15
Wyoming	27	12
Yates	18	7
Statewide	13	13

**APPENDIX F
INDIVIDUALS AND SOLE PROPRIETORS SURVEY RESULTS**

This appendix contains the results of the survey of individuals and sole proprietors. A total of 2,106 Healthy NY members from all 17 health plans responded to the survey.



WORKING INDIVIDUALS AND SOLE PROPRIETORS SURVEY
Total Responses (n = 2,106)

Please circle the letter of the appropriate response.

1. What is your age?
 10% 18 to 24 16% 25 to 34 21% 35 to 44 27% 45 to 54 25% 55 or older

2. What is your gender? 41% Male 59% Female

3. What is your primary language?
 96% English 1% Spanish 2% Other _____

4. In which **county** of New York do you live? See list at end of Appendix

5. Are you currently...?
 68% Employed 9% Unemployed 5% Retired
 2% A Student 16% Other _____

6. What kind of industry do you or your spouse work in?
 2% Agriculture, Forestry, Fishing 10% Arts
 2% Automotive Repair 4% Cleaning, Maintenance
 9% Construction 3% Consulting, Management
 10% Educational Services 3% Finance, Insurance
 9% Food Service, Restaurants 6% Hair, Nail, Barber Shop
 8% Health Services 3% Landscaping, Gardening
 3% Real Estate 9% Retail
 28% Other (*Please specify*) _____

7. How did you hear about the Healthy NY program? (*Please circle all that apply*)
 12% Internet 20% Television advertising
 5% Radio advertising 4% Newspaper or magazine advertising
 44% Family member, friend or co-worker 4% Insurance broker
 9% Other _____ 13% Don't remember

8. Did you use an insurance broker to purchase your Healthy NY insurance?
 5% Yes 95% No

9. In what year did your Healthy NY coverage begin?
- | | | | | | | | |
|-----|------|-----|------|-----|------|-----|------------|
| 3% | 2001 | 4% | 2002 | 9% | 2003 | 13% | 2004 |
| 18% | 2005 | 25% | 2006 | 15% | 2007 | 13% | Don't know |
10. Please indicate the category that best describes your enrollment in Healthy NY. *(Please circle only one option)*
- 36% You are the sole proprietor of a business
 - 64% You are a working individual who does not own your own business and are not part of a company health plan
11. Does your current Healthy NY insurance package...?
- 70% Include prescription drug benefits
 - 30% Exclude prescription drug benefits
12. Prior to enrolling in Healthy NY, how long had it been since you had health insurance?
- 58% Within 3 months prior to enrolling in Healthy NY
 - 14% Within the 4 to 12-month period prior to enrolling in Healthy NY
 - 10% Over 1 year but less than 2 years prior to enrolling in Healthy NY
 - 19% Two or more years prior to enrolling in Healthy NY
13. If you did not have health insurance before enrolling in Healthy NY, please tell us why
- 4% Did not have a need for health insurance
 - 73% Other insurance plans were too expensive
 - 23% Other *(Please explain)* _____
14. Why did you choose to enroll in Healthy NY? *(Please circle all that apply)*
- 29% You had no other known alternative for health insurance
 - 59% Healthy NY was your least expensive option for health insurance
 - 33% Healthy NY offered the best benefit package for the price of all available options
15. If you had not signed up for Healthy NY, which option would you have taken for your health insurance needs? *(Please circle only one option)*
- 62% Gone without health insurance
 - 36% Purchased health insurance elsewhere on your own
 - 2% Obtained coverage through another family member's health insurance plan
16. Why did you choose the HMO/insurer that you are enrolled with? *(Please circle all that apply)*
- 37% Had this HMO/insurer before
 - 24% This HMO/insurer has a good reputation
 - 23% Liked this HMO/insurer's physician network
 - 30% Liked this HMO/insurer's monthly premiums
 - 6% It was the only HMO/insurer in my county
 - 10% Other *(Please specify)* _____

17. Who is covered under your Healthy NY policy?
- | | | | |
|-----|------------------------------------|-----|-------------------------------------|
| 76% | One adult | 14% | Two adults |
| 3% | One adult and one or more children | 7% | Two adults and one or more children |
18. How many dependent children do you have?
- | | | | |
|-----|--|-----|-----------|
| 71% | None (<i>Please go to Question 23</i>) | 12% | 1 |
| 11% | 2 | 4% | 3 |
| 1% | 4 | 1% | 5 |
| <1% | 6 | <1% | 7 or more |
19. Have you seen, read or heard anything about the Child Health Plus program?
- | | | | |
|-----|---|-----|--|
| 81% | Yes (<i>Please go to Question 20</i>) | 19% | No (<i>Please go to Question 21</i>) |
|-----|---|-----|--|
20. How did you hear about the Child Health Plus program? (*Please circle all that apply*)
- | | | | |
|-----|------------------------------------|-----|-----------------------------------|
| 13% | Internet | 31% | Television advertising |
| 8% | Radio advertising | 8% | Newspaper or magazine advertising |
| 38% | Family member, friend or co-worker | 3% | Insurance broker |
| 13% | Other _____ | 11% | Don't remember |
21. Are your dependent children covered by health insurance? (*Please circle all that apply*)
- | | |
|-----|---|
| 33% | They are enrolled in Healthy NY |
| 17% | They are enrolled in another private health plan |
| 43% | They are enrolled in Child Health Plus |
| 3% | Some but not all of my dependent children are uninsured |
| 2% | All of my dependent children are uninsured |
| 6% | Other (<i>Please explain</i>) _____ |
22. Your husband or wife has the following insurance: (*Please circle all that apply*)
- | | |
|-----|---|
| 35% | I have no husband or wife |
| 51% | Healthy NY |
| 6% | Private health insurance through employer, union or retiree plan |
| 2% | Other private health insurance |
| 1% | Enrolled in another state-sponsored plan (e.g., Family Health Plus, Medicaid) |
| 3% | Medicare |
| 3% | Uninsured |
| 1% | Other (<i>Please specify</i>) _____ |
23. Have you changed your Healthy NY HMO/insurer at any time during your enrollment?
- | | | | |
|----|-----|-----|----|
| 5% | Yes | 95% | No |
|----|-----|-----|----|

24. In the last 6 months, how often were the people at your HMO/insurer's customer service as helpful as you thought they should be?
 3% Never 10% Sometimes 22% Usually 33% Always 32% Didn't call HMO/insurer
25. How would you rate your HMO/insurer now? (Circle the appropriate rating where 0 is the worst rating possible and 10 is the best rating possible)
 (Worst Possible) (Best Possible)

0	1	2	3	4	5	6	7	8	9	10
1%	1%	2%	3%	4%	14%	9%	19%	24%	13%	12%

 Average Rating = 7.07
26. With the choices your HMO/insurer gives you, was it easy to find a primary care physician you are happy with?
 92% Yes 8% No
27. In the last 6 months, did you try to see your primary care physician?
 71% Yes 29% No
28. In the last 6 months, how many times did you go to an emergency room for your own care under your Healthy NY plan?

89%	None	9%	1 time	2%	2 times
<1%	3 to 4 times	<1%	5 to 9 times	0%	10 or more times
29. In the last 6 months (not counting times you went to an emergency room), how many times did you go to the doctor's office or clinic for your own care under your Healthy NY plan?

23%	None	25%	1 time	22%	2 times
21%	3 to 4 times	7%	5 to 9 times	2%	10 or more times
30. In general, how would you rate your overall health now?
 27% Excellent 38% Very Good 27% Good 6% Fair 1% Poor
31. How has having Healthy NY coverage changed your overall health? Has it made your health...

15%	Much better	20%	Somewhat better	58%	No change
1%	Somewhat worse	<1%	Much worse	5%	Not sure
32. Have you heard of the Healthy NY high deductible plan?
 13% Yes – enrolled in the Healthy NY high deductible plan (Please go to Question 33)
 28% Yes – not enrolled in the Healthy NY high deductible plan (Please go to Question 34)
 44% No (Please go to Question 34)
 14% Not sure (Please go to Question 34)

33. If you are enrolled in the Healthy NY high deductible plan, please tell us if you...? *(Please circle all that apply)*
- 55% Would have enrolled in Healthy NY this year even without a high deductible plan
 - 16% Would not have enrolled in Healthy NY this year without a high deductible plan
 - 28% Wish there were lower deductible options
 - 14% Wish there were higher deductible options
 - 5% Think my family will exceed the deductible this year
 - 33% Do not think my family will exceed the deductible this year
 - 29% Opened a Health Savings Account (HSA)
 - 19% Did not open a Health Savings Account (HSA) because _____
 - 4% Other *(Please specify)* _____

34. Would your company be interested in enrolling in the high deductible plan in the future if you knew the deductibles are currently \$1,150 for individuals and \$2,300 for families?
- 6% Yes 44% No 50% Not sure

Please tell us how satisfied you are with the following aspects of the Healthy NY program. *(Circle the appropriate rating where 1 is very unsatisfied and 5 is very satisfied)*

		Very	Somewhat	Neither	Somewhat	Very
		Unsatisfied	Unsatisfied	Satisfied or	Satisfied	Satisfied
		(Total Unsatisfied)		Unsatisfied	(Total Satisfied)	
35.	Benefit Packages	8%	17%	18%	39%	18%
		(25%)			(57%)	
36.	Provider Network	8%	9%	15%	34%	34%
		(17%)			(68%)	
37.	Cost	13%	22%	18%	29%	17%
		(36%)			(46%)	
38.	Enrollment Process	8%	9%	17%	33%	34%
		(17%)			(66%)	

Please tell us if you feel that each of the following benefits should be added to the Healthy NY program.

	Should be added, but only if monthly premium does not increase	Should be added and willing to pay a higher monthly premium	Should not be added
39. Dental care services, including routine dental exams and cleanings	59%	36%	5%
40. Mental health services, including treatment and medication for Attention Deficit Hyperactivity Disorder, depression and anxiety	58%	21%	21%
41. Alcohol and substance abuse treatment	43%	19%	39%
42. Chiropractic services	57%	21%	22%
43. Ambulance services	73%	15%	12%
44. Vision services, including eye exams, eyeglasses, and contact lenses	61%	32%	7%
45. What are your three favorite things about the Healthy NY program that you would not want to see changed?			

See Chapter IV of Report for Responses

46. What are three things about Healthy NY that you feel could be improved?

See Chapter IV of Report for Responses

47. What was your family income, before deductions and taxes in 2006? Please give us your best estimate. All information will be kept private (*Circle only one of the following*)

16%	\$0 to \$10,000	32%	\$10,001 to \$20,000	27%	\$20,001 to \$30,000
14%	\$30,001 to \$40,000	6%	\$40,001 to \$50,000	2%	\$50,001 to \$60,000
1%	\$60,001 to \$75,000	2%	More than \$75,000		

Health Plan of Employer Survey Respondent

- 4% Aetna Health Inc.
- 2% Atlantis Health Plan
- 8% CDPHP
- 5% CIGNA Healthcare of New York
- 12% Empire HealthChoice HMO
- 11% Excellus Health Plan
- 4% GHI EPO
- 4% GHI HMO
- 6% Health Insurance Plan of New York (HIP)
- 3% Health Net of New York
- 8% HealthNow New York
- 8% Independent Health Association
- 3% Managed Health (d/b/a Healthfirst)
- 5% MDNY HealthCare
- 8% MVP Health Plan
- 4% Oxford Health Plans
- 6% Preferred Care

High Deductible Health Plan Member

- 15% Yes
- 85% No

4. In which **county** of New York do you live?

2%	Albany	<1%	Allegany	1%	Broome
1%	Bronx	1%	Cattaraugus	1%	Cayuga
1%	Chautauqua	<1%	Chemung	<1%	Chenango
<1%	Clinton	1%	Columbia	<1%	Cortland
<1%	Delaware	2%	Dutchess	7%	Erie
1%	Essex	<1%	Franklin	<1%	Fulton
1%	Genesee	1%	Greene	0%	Hamilton
1%	Herkimer	<1%	Jefferson	5%	Kings
<1%	Lewis	<1%	Livingston	<1%	Madison
6%	Monroe	<1%	Montgomery	8%	Nassau
7%	New York	2%	Niagara	1%	Oneida
3%	Onondaga	1%	Ontario	2%	Orange
<1%	Orleans	1%	Oswego	1%	Otsego
1%	Putnam	4%	Queens	1%	Rensselaer
1%	Richmond	2%	Rockland	2%	Saratoga
2%	Schenectady	<1%	Schoharie	<1%	Schuyler
<1%	Seneca	<1%	St. Lawrence	<1%	Steuben
12%	Suffolk	1%	Sullivan	<1%	Tioga
1%	Tompkins	3%	Ulster	1%	Warren
1%	Washington	1%	Wayne	4%	Westchester
1%	Wyoming	<1%	Yates		

APPENDIX G
INDIVIDUALS AND SOLE PROPRIETORS HDHP SURVEY RESULTS

This appendix contains the results of the survey of individuals and sole proprietors for members identified as enrolled in a high deductible health plan (HDHP). A total of 325 Healthy NY HDHP members from all 17 health plans responded to the survey.



WORKING INDIVIDUALS AND SOLE PROPRIETORS SURVEY High Deductible Health Plan Responses (n = 325)

Please circle the letter of the appropriate response.

1. What is your age?
 18% 18 to 24 22% 25 to 34 18% 35 to 44 26% 45 to 54 15% 55 or older

2. What is your gender? 52% Male 48% Female

3. What is your primary language?
 98% English 1% Spanish 1% Other _____

4. In which **county** of New York do you live? See list at end of Appendix

5. Are you currently...?
 65% Employed 11% Unemployed 3% Retired
 5% A Student 16% Other _____

6. What kind of industry do you or your spouse work in?
 4% Agriculture, Forestry, Fishing 12% Arts
 3% Automotive Repair 3% Cleaning, Maintenance
 9% Construction 5% Consulting, Management
 13% Educational Services 3% Finance, Insurance
 9% Food Service, Restaurants 2% Hair, Nail, Barber Shop
 8% Health Services 3% Landscaping, Gardening
 3% Real Estate 8% Retail
 29% Other (*Please specify*) _____

7. How did you hear about the Healthy NY program? (*Please circle all that apply*)
 20% Internet 17% Television advertising
 3% Radio advertising 2% Newspaper or magazine advertising
 46% Family member, friend or co-worker 3% Insurance broker
 8% Other _____ 12% Don't remember

8. Did you use an insurance broker to purchase your Healthy NY insurance?
 3% Yes 97% No

9. In what year did your Healthy NY coverage begin?
- | | | | | | | | |
|----|------|-----|------|-----|------|----|------------|
| 2% | 2001 | 1% | 2002 | 6% | 2003 | 7% | 2004 |
| 8% | 2005 | 12% | 2006 | 57% | 2007 | 7% | Don't know |
10. Please indicate the category that best describes your enrollment in Healthy NY. *(Please circle only one option)*
- 33% You are the sole proprietor of a business
 - 67% You are a working individual who does not own your own business and are not part of a company health plan
11. Does your current Healthy NY insurance package...?
- 40% Include prescription drug benefits
 - 60% Exclude prescription drug benefits
12. Prior to enrolling in Healthy NY, how long had it been since you had health insurance?
- 61% Within 3 months prior to enrolling in Healthy NY
 - 13% Within the 4 to 12-month period prior to enrolling in Healthy NY
 - 9% Over 1 year but less than 2 years prior to enrolling in Healthy NY
 - 17% Two or more years prior to enrolling in Healthy NY
13. If you did not have health insurance before enrolling in Healthy NY, please tell us why
- 3% Did not have a need for health insurance
 - 70% Other insurance plans were too expensive
 - 27% Other *(Please explain)* _____
14. Why did you choose to enroll in Healthy NY? *(Please circle all that apply)*
- 24% You had no other known alternative for health insurance
 - 65% Healthy NY was your least expensive option for health insurance
 - 29% Healthy NY offered the best benefit package for the price of all available options
15. If you had not signed up for Healthy NY, which option would you have taken for your health insurance needs? *(Please circle only one option)*
- 64% Gone without health insurance
 - 34% Purchased health insurance elsewhere on your own
 - 2% Obtained coverage through another family member's health insurance plan
16. Why did you choose the HMO/insurer that you are enrolled with? *(Please circle all that apply)*
- 33% Had this HMO/insurer before
 - 25% This HMO/insurer has a good reputation
 - 19% Liked this HMO/insurer's physician network
 - 36% Liked this HMO/insurer's monthly premiums
 - 8% It was the only HMO/insurer in my county
 - 9% Other *(Please specify)* _____

24. In the last 6 months, how often were the people at your HMO/insurer's customer service as helpful as you thought they should be?
 4% Never 11% Sometimes 20% Usually 29% Always 36% Didn't call HMO/insurer
25. How would you rate your HMO/insurer now? (Circle the appropriate rating where 0 is the worst rating possible and 10 is the best rating possible)
 (Worst Possible) (Best Possible)
- | | | | | | | | | | | |
|----|----|----|----|----|-----|-----|-----|-----|----|----|
| 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1% | 1% | 4% | 4% | 3% | 17% | 10% | 20% | 24% | 8% | 8% |
- Average Rating = 6.62
26. With the choices your HMO/insurer gives you, was it easy to find a primary care physician you are happy with?
 89% Yes 11% No
27. In the last 6 months, did you try to see your primary care physician?
 47% Yes 53% No
28. In the last 6 months, how many times did you go to an emergency room for your own care under your Healthy NY plan?
 94% None 5% 1 time 1% 2 times
 0% 3 to 4 times <1% 5 to 9 times 0% 10 or more times
29. In the last 6 months (not counting times you went to an emergency room), how many times did you go to the doctor's office or clinic for your own care under your Healthy NY plan?
 47% None 27% 1 time 15% 2 times
 9% 3 to 4 times 2% 5 to 9 times 0% 10 or more times
30. In general, how would you rate your overall health now?
 45% Excellent 34% Very Good 19% Good 2% Fair <1% Poor
31. How has having Healthy NY coverage changed your overall health? Has it made your health...
 7% Much better 12% Somewhat better 76% No change
 2% Somewhat worse 0% Much worse 3% Not sure
32. Have you heard of the Healthy NY high deductible plan?
 71% Yes – enrolled in the Healthy NY high deductible plan (Please go to Question 33)
 9% Yes – not enrolled in the Healthy NY high deductible plan (Please go to Question 34)
 13% No (Please go to Question 34)
 7% Not sure (Please go to Question 34)

33. If you are enrolled in the Healthy NY high deductible plan, please tell us if you...? *(Please circle all that apply)*

- 59% Would have enrolled in Healthy NY this year even without a high deductible plan
- 17% Would not have enrolled in Healthy NY this year without a high deductible plan
- 24% Wish there were lower deductible options
- 15% Wish there were higher deductible options
- 6% Think my family will exceed the deductible this year
- 35% Do not think my family will exceed the deductible this year
- 33% Opened a Health Savings Account (HSA)
- 21% Did not open a Health Savings Account (HSA) because _____
- 4% Other *(Please specify)* _____

34. Would your company be interested in enrolling in the high deductible plan in the future if you knew the deductibles are currently \$1,150 for individuals and \$2,300 for families?

- 21% Yes
- 26% No
- 53% Not sure

Please tell us how satisfied you are with the following aspects of the Healthy NY program. *(Circle the appropriate rating where 1 is very unsatisfied and 5 is very satisfied)*

		Very	Somewhat	Neither	Somewhat	Very
		Unsatisfied	Unsatisfied	Satisfied or	Satisfied	Satisfied
		(Total Unsatisfied)		Unsatisfied	(Total Satisfied)	
35.	Benefit Packages	8%	16%	26%	36%	13%
		(25%)			(49%)	
36.	Provider Network	9%	9%	17%	34%	31%
		(18%)			(65%)	
37.	Cost	10%	21%	16%	28%	24%
		(32%)			(52%)	
38.	Enrollment Process	9%	13%	17%	33%	29%
		(21%)			(62%)	

Please tell us if you feel that each of the following benefits should be added to the Healthy NY program.

	Should be added, but only if monthly premium does not increase	Should be added and willing to pay a higher monthly premium	Should not be added
39. Dental care services, including routine dental exams and cleanings	50%	40%	10%
40. Mental health services, including treatment and medication for Attention Deficit Hyperactivity Disorder, depression and anxiety	49%	25%	26%
41. Alcohol and substance abuse treatment	37%	21%	42%
42. Chiropractic services	46%	21%	33%
43. Ambulance services	67%	18%	15%
44. Vision services, including eye exams, eyeglasses, and contact lenses	52%	36%	12%
45. What are your three favorite things about the Healthy NY program that you would not want to see changed?			

See Chapter IV of Report for Responses

46. What are three things about Healthy NY that you feel could be improved?

See Chapter IV of Report for Responses

47. What was your family income, before deductions and taxes in 2006? Please give us your best estimate. All information will be kept private (*Circle only one of the following*)

16%	\$0 to \$10,000	31%	\$10,001 to \$20,000	23%	\$20,001 to \$30,000
13%	\$30,001 to \$40,000	9%	\$40,001 to \$50,000	4%	\$50,001 to \$60,000
1%	\$60,001 to \$75,000	4%	More than \$75,000		

Health Plan of Employer Survey Respondent

1%	Aetna Health Inc.
2%	Atlantis Health Plan
2%	CDPHP
<1%	CIGNA Healthcare of New York
36%	Empire HealthChoice HMO
19%	Excellus Health Plan
2%	GHI EPO
2%	GHI HMO
3%	Health Insurance Plan of New York (HIP)
<1%	Health Net of New York
8%	HealthNow New York
8%	Independent Health Association
<1%	Managed Health (d/b/a Healthfirst)
4%	MDNY HealthCare
7%	MVP Health Plan
3%	Oxford Health Plans
1%	Preferred Care

High Deductible Health Plan Member

100%	Yes
0%	No

4. In which **county** of New York do you live?

1% Albany	<1% Allegany	1% Broome
<1% Bronx	1% Cattaraugus	1% Cayuga
1% Chautauqua	1% Chemung	1% Chenango
<1% Clinton	0% Columbia	0% Cortland
<1% Delaware	2% Dutchess	9% Erie
1% Essex	0% Franklin	<1% Fulton
<1% Genesee	1% Greene	0% Hamilton
1% Herkimer	1% Jefferson	8% Kings
<1% Lewis	0% Livingston	<1% Madison
4% Monroe	<1% Montgomery	3% Nassau
9% New York	3% Niagara	3% Oneida
4% Onondaga	1% Ontario	2% Orange
<1% Orleans	1% Oswego	1% Otsego
2% Putnam	3% Queens	1% Rensselaer
1% Richmond	3% Rockland	2% Saratoga
2% Schenectady	0% Schoharie	0% Schuyler
0% Seneca	1% St. Lawrence	1% Steuben
9% Suffolk	1% Sullivan	0% Tioga
3% Tompkins	3% Ulster	1% Warren
1% Washington	<1% Wayne	5% Westchester
<1% Wyoming	0% Yates	

APPENDIX H
SMALL BUSINESS EMPLOYER SURVEY RESULTS

This appendix contains the results of the survey of small business employers. A total of 294 employers whose businesses are enrolled with Healthy NY from all 17 health plans responded to the survey.



EMPLOYERS PARTICIPATING IN HEALTHY NY PROGRAM
Total Responses (n = 294)

Please circle the letter of the appropriate response.

1. Is your company headquarters located in New York State?
 100% Yes (Please go to Question 2)
 <1% No (Please specify state and go to Question 3) _____

2. In which **county** is your company headquarters located? See list at end of Appendix

3. In which **areas** of the state does your company have employees working? (Please circle all that apply)
 - 10% Albany area (Albany, Clinton, Essex, Fulton, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington Counties)
 - 14% Buffalo area (Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans and Wyoming Counties)
 - 20% Long Island area (Nassau and Suffolk Counties)
 - 15% Mid-Hudson area (Columbia, Delaware, Dutchess, Greene, Orange, Putnam, Sullivan and Ulster Counties)
 - 19% New York City (Bronx, Kings, New York, Queens and Richmond Counties)
 - 9% Rochester area (Livingston, Monroe, Ontario, Seneca, Wayne and Yates Counties)
 - 12% Syracuse area (Broome, Cayuga, Chemung, Cortland, Onondaga, Schuyler, Steuben, Tioga and Tompkins Counties)
 - 8% Utica/Watertown area (Chenango, Franklin, Hamilton, Herkimer, Jefferson, Lewis, Madison, Oneida, Oswego, Otsego and St. Lawrence Counties)
 - 12% Westchester area (Rockland and Westchester Counties)

4. What is your primary language?
 96% English <1% Spanish 4% Other _____

5. Please estimate what percent of your employees speak English as their primary language?
 5% 25% or less 2% 26% to 50% 9% 51% to 75%
 83% 76% to 100% 1% Don't know

6. How long has your company been in business in New York?
- | | | | |
|-----|---|-----|---------------------------|
| 9% | Less than three years | 20% | Three, four or five years |
| 21% | More than five years, but less than ten years | 50% | Ten years or more |

7. What kind of industry does your company work in?
- | | | | |
|-----|---------------------------------------|-----|-------------------------|
| 3% | Agriculture, Forestry, Fishing | 2% | Arts |
| 5% | Automotive Repair | 2% | Cleaning, Maintenance |
| 15% | Construction | 5% | Consulting, Management |
| 4% | Educational Services | 3% | Finance, Insurance |
| 9% | Food Service, Restaurants | 2% | Hair, Nail, Barber Shop |
| 8% | Health Services | 2% | Landscaping, Gardening |
| 2% | Real Estate | 12% | Retail |
| 29% | Other (<i>Please specify</i>) _____ | | |

8. Please estimate how many employees your company has working in the State of New York?
- | | | | | | | | | | |
|-----|------------|-----|---------|----|----------|----|----------|----|------------|
| 68% | 5 or fewer | 22% | 6 to 10 | 9% | 11 to 25 | 1% | 26 to 50 | 1% | 51 or more |
|-----|------------|-----|---------|----|----------|----|----------|----|------------|

9. Please estimate what percent of your employees are enrolled in Healthy NY through your company health insurance plan?
- | | | | | | |
|-----|-------------|-----|------------|-----|------------|
| 15% | 25% or less | 29% | 26% to 50% | 15% | 51% to 75% |
| 38% | 76% to 100% | 2% | Don't know | | |

10. Please estimate what percent of your employees enrolled in Healthy NY are enrolled under the individual coverage option?
- | | | | | | |
|-----|-------------|-----|------------|----|------------|
| 33% | 25% or less | 20% | 26 to 50% | 6% | 51% to 75% |
| 27% | 76% to 100% | 13% | Don't know | | |

11. In what year did your company's Healthy NY coverage begin?
- | | | | | | | | |
|-----|------|-----|------|-----|------|-----|------------|
| 6% | 2001 | 5% | 2002 | 10% | 2003 | 14% | 2004 |
| 23% | 2005 | 22% | 2006 | 7% | 2007 | 13% | Don't know |

12. Does the Healthy NY insurance package your company currently offers...?
- | | |
|-----|---|
| 81% | Include prescription drug benefits (<i>Please go to Question 13a</i>) |
| 19% | Exclude prescription drug benefits (<i>Please go to Question 13b</i>) |

13a. Why did your company choose a Healthy NY insurance package that includes prescription drug benefits? *(Please circle all that apply)*

- 37% Employees requested prescription drug coverage
- 15% There is not much of a cost difference between packages with and without prescription drugs
- 53% It is better for employees to have prescription drug coverage
- 40% We wanted to be able to offer health insurance with prescription drug benefits as part of the compensation package
- 2% Other *(Please specify)* _____

13b. Why did your company choose a Healthy NY insurance package that excludes prescription drug benefits? *(Please circle all that apply)*

- 15% Employees did not request prescription drug coverage
- 79% The package with prescription drug coverage was too costly
- 11% Employees do not need prescription drug coverage
- 2% Other *(Please specify)* _____

14. Have you heard of the Healthy NY high deductible plan?

- 7% Yes – enrolled in the Healthy NY high deductible plan *(Please go to Question 15)*
- 32% Yes – not enrolled in the Healthy NY high deductible plan *(Please go to Question 17)*
- 46% No *(Please go to Question 17)*
- 14% Not sure *(Please go to Question 17)*

15. Has your company helped employees open a Health Savings Account (HSA)?

- 53% Yes 47% No *(tell us why)* _____

16. What do you think of the Healthy NY high deductible plan? *(Circle all that apply)*

- 35% Would have enrolled in Healthy NY this year even without a high deductible plan
- 40% Would not have enrolled in Healthy NY this year without a high deductible plan
- 25% Wish there were lower deductible options
- 10% Wish there were higher deductible options
- 10% Other *(Please explain)* _____

17. Would your company be interested in enrolling in the high deductible plan in the future if you knew the deductibles are currently \$1,150 for individuals and \$2,300 for families?

- 10% Yes 40% No 50% Not sure

18. Are you, as the owner of the company, enrolled as a member of Healthy NY?

- 71% Yes 29% No

19. How long is the waiting period before an employee can obtain Healthy NY coverage through your company after joining your firm?

- 53% No waiting period (*Please go to Question 21*)
- 8% 1 month (*Please go to Question 20*)
- 18% 2 or 3 months (*Please go to Question 20*)
- 12% 4 to 6 months (*Please go to Question 20*)
- 9% More than 6 months (*Please go to Question 20*)

20. Why does your company have a waiting period before employees can obtain Healthy NY coverage?

See Chapter V of Report for Responses

21. Before enrolling in Healthy NY, did your company offer health insurance to its employees?

- 12% Yes, with similar benefits
- 5% Yes, with limited benefits
- 83% No

22. Why did your company decide to offer health insurance? (*Please circle all that apply*)

- 43% We wanted to be able to offer health insurance as part of the compensation package
- 45% It helps my company retain quality employees
- 15% To compete with other companies that offer health insurance
- 49% I wanted health insurance for myself and my family
- 29% Employees requested health insurance
- 1% Other (*Please specify*) _____

23. Why did your company select Healthy NY? (*Please circle all that apply*)

- 45% It was more cost effective than the health insurance coverage we had been offering
- 60% To offer a reasonably-priced health insurance benefit since we had not done so before
- 10% Employees requested the coverage
- 3% Other (*Please specify*) _____

24. Which of the following reasons were important in selecting your company's HMO/insurer? (*Please circle all that apply*)

- 23% Had this HMO/insurer before
- 37% This HMO/insurer has a good reputation
- 37% Liked this HMO/insurer's physician network
- 37% Liked this HMO/insurer's monthly premiums
- 5% It was the only HMO/insurer in my county
- 5% Employees requested this HMO/insurer
- 4% Other (*Please specify*) _____

25. Under Healthy NY guidelines, employers must contribute at least 50% towards the premium for individual coverage. How much does your company contribute?

34% 50% 9% 51% to 75% 4% 76% to 99% 53% 100%

26. Under Healthy NY guidelines, employers may offer family or spousal coverage but are not responsible for contributing towards the premiums. Does your company offer family health coverage?

46% Yes, and at least one employee has chosen family coverage (*Please go to Question 27a*)

30% Yes, but no employees have chosen family coverage (*Please go to Question 27a*)

24% No (*Please go to Question 27b*)

27a. How much does your company contribute towards family coverage? If there are different levels of premium sharing, please report the cost for the plan most employees are on.

36% None 3% Less than 25% 16% 25% to 50%

9% 51% to 75% 4% 76% to 99% 33% 100%

27b. Why does your company not offer family health coverage? (*Please circle all that apply*)

71% We don't have any employees with families

24% Family premiums are too expensive for the company

9% Family premiums are too expensive for employees

7% Other (*Please specify*) _____

28. Have your employees complained to you regarding the service they have received from the HMO/insurer that your company is enrolled with?

16% Yes 84% No

29. How would you rate the HMO/insurer that your company is enrolled with? (*Circle the appropriate rating where 0 is the worst rating possible and 10 is the best rating possible*)

(Worst Possible)

(Best Possible)

0	1	2	3	4	5	6	7	8	9	10
<1%	<1%	2%	3%	5%	11%	12%	22%	25%	10%	9%

Average Rating = 6.95

As an employer, please tell me how satisfied you are with the following aspects of the Healthy NY program. (Circle the appropriate rating where 1 is very unsatisfied and 5 is very satisfied)

		Very Unsatisfied (Total Unsatisfied)	Somewhat Unsatisfied	Neither Satisfied or Unsatisfied	Somewhat Satisfied (Total Satisfied)	Very Satisfied
30.	Premium cost to your company	6%	18%	19%	35%	21%
		(24%)			(56%)	
31.	Benefit packages	4%	17%	24%	43%	13%
		(21%)			(56%)	
32.	Overall amount of administration time	3%	7%	22%	36%	31%
		(10%)			(67%)	
33.	Do you think that the availability of Healthy NY has had a positive impact on your company?			9%		
	91% Yes (Please go to Question 34)			9% No (Please go to Question 35)		
34.	Which of the following positive impacts have resulted for your company because of the availability of Healthy NY? (Please circle all that apply)					
	59% Increased employee retention					
	64% Increased employee morale					
	13% Lower absenteeism					
	12% Other (Please specify) _____					
35.	Are you concerned about your company's ability to stay in the Healthy NY program from year to year due to premium increases?					
	85% Yes			15% No		
36.	How did your company hear about the Healthy NY program? (Please circle all that apply)					
	15% Internet			26% Television advertising		
	12% Radio advertising			5% Newspaper or magazine advertising		
	24% Family member, friend or co-worker			15% Insurance broker		
	7% Other _____			17% Don't remember		
37.	Did you use an insurance broker to purchase your company's Healthy NY insurance?					
	16% Yes			84% No		

38. What can Healthy NY do to attract more small business employers?

See Chapter V of Report for Responses

39. What are your three favorite things about the Healthy NY program that you would **not** want to see changed?

See Chapter V of Report for Responses

40. What are three things about Healthy NY that you feel could be improved?

See Chapter V of Report for Responses

41. Please estimate the percentage of your employees who are eligible for Healthy NY for each of the following income categories. All information will be kept private. *(Please make percentages equal to 100 percent).*

39.7% Less than \$20,000 per year

49.6% \$20,000 to \$40,000 per year

8.6% \$40,001 to \$60,000 per year

2.1% More than \$60,000 per year

Health Plan of Employer Survey Respondent

- 10% Aetna Health Inc.
- 2% Atlantis Health Plan
- 3% CDPHP
- 3% CIGNA Healthcare of New York
- 11% Empire HealthChoice HMO
- 15% Excellus Health Plan
- <1% GHI EPO
- 3% GHI HMO
- 7% Health Insurance Plan of New York (HIP)
- 1% Health Net of New York
- 4% HealthNow New York
- 11% Independent Health Association
- 1% Managed Health (d/b/a Healthfirst)
- 3% MDNY HealthCare
- 15% MVP Health Plan
- 8% Oxford Health Plans
- 3% Preferred Care

High Deductible Health Plan Member

7% Yes

93% No

4. In which **county** of New York do you live?

1% Albany	1% Allegany	2% Broome
<1% Bronx	<1% Cattaraugus	1% Cayuga
1% Chautauqua	0% Chemung	<1% Chenango
0% Clinton	0% Columbia	<1% Cortland
1% Delaware	4% Dutchess	6% Erie
1% Essex	1% Franklin	0% Fulton
<1% Genesee	1% Greene	<1% Hamilton
<1% Herkimer	1% Jefferson	3% Kings
1% Lewis	<1% Livingston	0% Madison
4% Monroe	0% Montgomery	8% Nassau
5% New York	4% Niagara	2% Oneida
5% Onondaga	2% Ontario	3% Orange
<1% Orleans	1% Oswego	<1% Otsego
1% Putnam	5% Queens	<1% Rensselaer
1% Richmond	2% Rockland	3% Saratoga
1% Schenectady	<1% Schoharie	0% Schuyler
1% Seneca	<1% St. Lawrence	<1% Steuben
10% Suffolk	1% Sullivan	1% Tioga
<1% Tompkins	4% Ulster	1% Warren
<1% Washington	<1% Wayne	7% Westchester
0% Wyoming	<1% Yates	