

Report on the Healthy NY Program 2003

Prepared for:
New York State Insurance Department

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in Partnership with
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I. INTRODUCTION

The Healthy NY program (the Program) was established in January 2001. Authorized by the Health Care Reform Act of 2000 (HCRA 2000), the Program's purpose is to make health insurance more affordable and available to small employers and their employees, sole proprietors, and working individuals whose employers do not provide health coverage. The Program allows for a streamlined benefit package that is more affordable than other HMO products which include a range of statutorily-required benefits.

The Lewin Group and Empire Health Advisors (EHA) have conducted this third annual study of the Program in accordance with the requirements of HCRA 2000 which stipulates that the impact of the Program be studied and that a report be submitted to the Governor and Legislature annually by January 1. Prescribed areas of study include employer participation, analysis of claims experience, an income profile of the covered population, and impact on the uninsured population. Lewin and EHA have previously prepared reports for calendar years 2001 and 2002. This report includes both the specific findings from the Program's third operational year (calendar year 2003) as well as key findings across the Program's first three years of operation.

Program Objectives

The New York State Insurance Department is the agency responsible for the implementation of the Healthy NY Program. The Insurance Department has stated the objective of Healthy NY as follows:

Healthy NY is a Program designed to make reduced cost, comprehensive health insurance available to small businesses (including sole proprietors) that currently do not provide health insurance coverage to their employees. Qualified individuals who are working for employers that do not provide health insurance coverage may also purchase Healthy NY's reduced cost benefit package.

The Healthy NY benefit package is specifically designed to be more affordable than other coverage. By making such reduced cost health insurance coverage available, more uninsured small employers and uninsured employed individuals will be able to purchase the health insurance coverage they need.¹

The Program's key design features are summarized below. A more detailed description of the Program as well as each HMO's premiums by county and application information is available on the Insurance Department's website at www.healthyny.com.

Benefit Package

In accordance with the legislation authorizing the Healthy NY Program, all HMOs in New York State must participate in the Program and offer its specified benefit package. Other insurers

¹ Healthy NY, A New Program Offering Affordable Health Insurance To Small Businesses, Sole Proprietors And Working Individuals, New York State Insurance Department, July 2001, p. 5.

may also participate in Healthy NY. Effective July 1, 2003, the prescription drug component of the benefit package was made optional for new enrollees (and for existing enrollees at annual renewal). Healthy NY provides coverage for a wide range of services including:

- Inpatient and outpatient hospital services
- Physician services
- Pre-admission and diagnostic testing
- Laboratory and x-ray
- Maternity care
- Emergency services
- Therapeutic services
- Prescription drugs (now an optional benefit)

Home health care, chiropractic care, inpatient and outpatient mental health, and alcohol and substance abuse treatment are not covered.

Applications for enrollment in Healthy NY are accepted throughout the year. Consistent with standard HMO coverage, all benefits of the Healthy NY program are covered on an “in-network” basis only, except for emergency services or where care is not available through a health plan’s network of providers. A 12-month pre-existing condition waiting period applies to Healthy NY enrollees.

Program Eligibility

There are three categories of persons eligible to enroll in Healthy NY:

- Small employers,
- Sole proprietors, and
- Qualifying individuals.

Each group has its own distinctive set of eligibility criteria and participation rules which are summarized below. On an annual basis, participants in the Healthy NY Program must submit to their health plan a recertification that attests to their continued eligibility for the Program.

Participation Criteria for Small Employers

- The business must be located in New York State and have 50 or fewer employees.
- Thirty percent of the employees must earn \$32,000 or less annually.
- The business must not have provided comprehensive group health insurance coverage to its employees within the preceding 12 months and contributed more than a minimal amount towards the cost of that coverage.
- Fifty percent of the eligible employees must participate in the Program and at least one participant must earn annual wages of \$32,000 or less.

The small employer may choose to pay more than 50 percent of the single premium but must pay at least 50 percent. The employer can also determine whether to offer dependent coverage and what payment contribution, if any, will be made toward that coverage.

Participation Criteria for Sole Proprietors and Individuals

The Healthy NY Program is available to both qualifying individuals whose employers do not provide health insurance coverage and to sole proprietors (sole owner and only employee of a business) as follows:

- The applicant must be a resident of New York State.
- The applicant or his/her spouse must be employed currently on a full-time or part-time basis. If not currently employed, the applicant or his/her spouse must have been employed at some time during the preceding 52 weeks, or must be a sole proprietor.
- Total gross household income must not exceed 250 percent of the gross Federal Poverty Level (FPL). The monthly income limits by family size during 2003 translate to annual incomes of \$22,575 for a single-person family, \$30,425 for a two-person family, \$38,275 for a three-person family, and \$46,125 for a four-person family.
- Eligible applicants must have been uninsured for the previous 12 months or had prior coverage terminated due to any of the following:
 - Loss of employment
 - Death of family member (subscriber)
 - Change to new employer without health insurance
 - Change in residence
 - Discontinuance of group product
 - Expiration or termination of continuation coverage (COBRA)
 - Legal separation, divorce or annulment
 - Loss of eligibility for group health insurance
 - Reaching the maximum age of dependency
- The applicant's employer must not: (1) currently provide medical and hospital group health insurance coverage; (2) contribute to the premium; and (3) have provided such coverage during the previous 12 months.
- The applicant must be ineligible for Medicare.
- Applicants with COBRA coverage or coverage through another public program such as Family Health Plus may enroll directly in Healthy NY.

Premiums and State Funding

Premiums for Healthy NY are community-rated with separate rates for individual, two-person, parent and child, and family enrollees. Premiums do not vary among the three enrollment categories – small employer, sole proprietor, and working individual – but may vary by county and by HMO. Premium rates are required to reflect the stop-loss mechanism in Healthy NY which is designed to result in more affordable premium levels for the Program. Under the stop-loss feature, plans are eligible to receive reimbursement for 90 percent of the claims paid

between \$5,000 and \$75,000 on behalf of any given member in a calendar year. Note that this corridor represents a significant policy change in the Healthy NY Program; prior to July 2003 the State's risk-sharing corridor had been \$30,000 to \$100,000. There is significantly greater claims activity in the \$5,000 - \$75,000 corridor than in the \$30,000 - \$100,000 corridor, and most health plans reduced their premiums by approximately 17 percent effective July 2003 to reflect the impact. The State of New York is thus subsidizing the Program more heavily now than during the initial two years of Program operations.

Dedicated State funding levels for the Healthy NY Program are \$89.4 million in calendar year 2003, \$49.2 million in 2004, and \$44 million for the first half of 2005. Any amounts not used will carry over to the ensuing year. The Program's advertising budget is limited to 10 percent of the appropriated funding amounts.

Plans are required to submit reimbursement requests for stop-loss funds no later than April 1 of the year following the year in which the claims were paid. The Insurance Department has contracted with a fund administrator to manage the collection of reimbursement requests and distribution of stop-loss funds.

Year Three Program Modifications

As noted above, two significant regulatory changes were adopted in June 2003 that had the effect of substantially lowering Healthy NY enrollee premiums.

- The individual stop-loss corridor within which the State pays 90 percent of claims costs was shifted from \$30,000 - \$100,000 to \$5,000 - \$75,000, for calendar year 2003.
- The prescription drug benefit was converted from a mandatory benefit to an optional benefit starting with enrollment in July 2003.

In addition, the following changes to Healthy NY were made by the Insurance Department through amendments filed in May and June which became effective in June and July 2003:

- Health maintenance organizations are required to provide insured individuals with forms necessary for re-certification no less than 90 days prior to their due date.
- Co-payments will no longer be applied to well-child visits.
- Healthy NY now qualifies for the federal health coverage tax credit.
- The definition of "employed person" includes any person employed and receiving monetary compensation currently or within the past 12 months.
- Applicants for qualifying individual health insurance contracts may meet the Healthy NY eligibility requirement regarding employment by demonstrating that their spouse is an employed person.
- Child support received will not be counted as parental income for the purpose of determining income eligibility.
- Health maintenance organizations and participating insurers may reinsure their Healthy NY business in whole or in part if they determine it would favorably impact premium

rates. The impact of any such reinsurance shall be factored into the premium rates for affected qualifying group health insurance premiums and individual health insurance premiums.

Changes that only apply to small employers:

- Qualifying small employers choosing to offer coverage to part-time workers may choose the level of premium contribution they make on behalf of part-time workers.
- Small employer applicants shall be considered to have provided group health insurance if they have arranged for group health insurance coverage on behalf of their employees and contributed more than a de-minimus amount on behalf of their employees (de-minimus contributions are defined as those that do not exceed an average of \$50 per employee per month). Small employers may qualify to purchase health insurance coverage through the Healthy NY Program if their contribution did not exceed an average of \$50 per month.

Also, in accordance with the Healthy NY Statute, the Insurance Department increased from \$31,000 to \$32,000 the income level below which 30 percent of employees in a participating small employer must earn.

Components of the 2003 Evaluation

This study updates some aspects of the reports produced for the Program's first two operational years and also includes many new components. The updated components include:

- An analysis of Program enrollment trends, including detailed tables of the enrollment mix among the health plans and across the three enrollment categories (small employer, sole proprietor, and working individual);
- Interviews with 15 participating HMOs;
- A written survey of Program enrollees;
- An assessment of the HMOs' claims experience with Healthy NY; and
- An analysis of the relationship between premiums and enrollment levels.

New aspects of this year's evaluation include:

- A written survey of participating employers to obtain their input on the Program;
- A brief assessment of factors other than price that appear to influence the enrollee's choice of health plan; and
- A summary of all key findings from the three studies that The Lewin Group and Empire Health Advisors have jointly conducted.

II. ENROLLMENT DURING THE THIRD OPERATIONAL YEAR

A. Overall Enrollment Levels and Influences

As of December 1, 2003, enrollment in Healthy NY totaled 39,661 persons. Since the Program's inception, nearly 60,000 persons have enrolled in the Program. The trajectory of enrollment throughout the Program's first three years is shown monthly in Exhibit A and quarterly in Table II-1. Enrollment in Table II-1 is depicted in "net" terms - the number enrolled in Healthy NY at any given point in time - as well as in "gross" terms - the total number of persons the Program has served, including those who have disenrolled, as of each point in time.

Exhibit A: Monthly Enrollment Progression

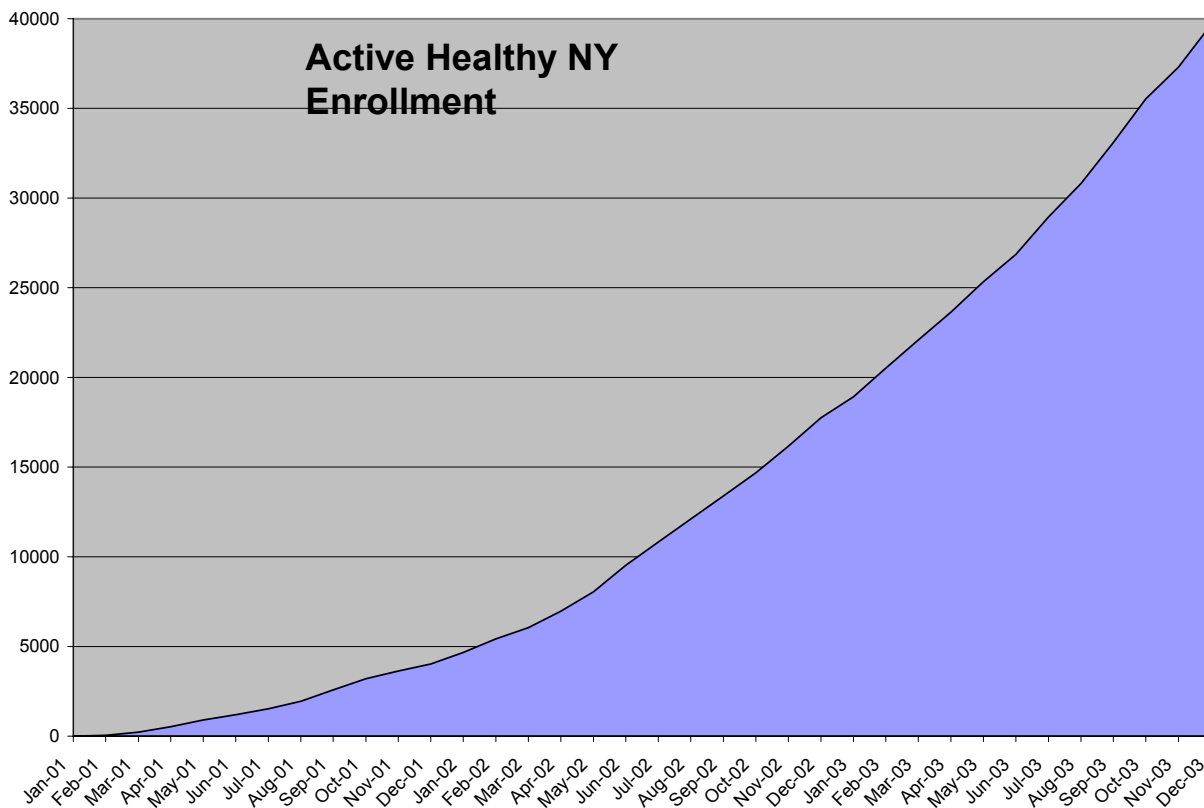


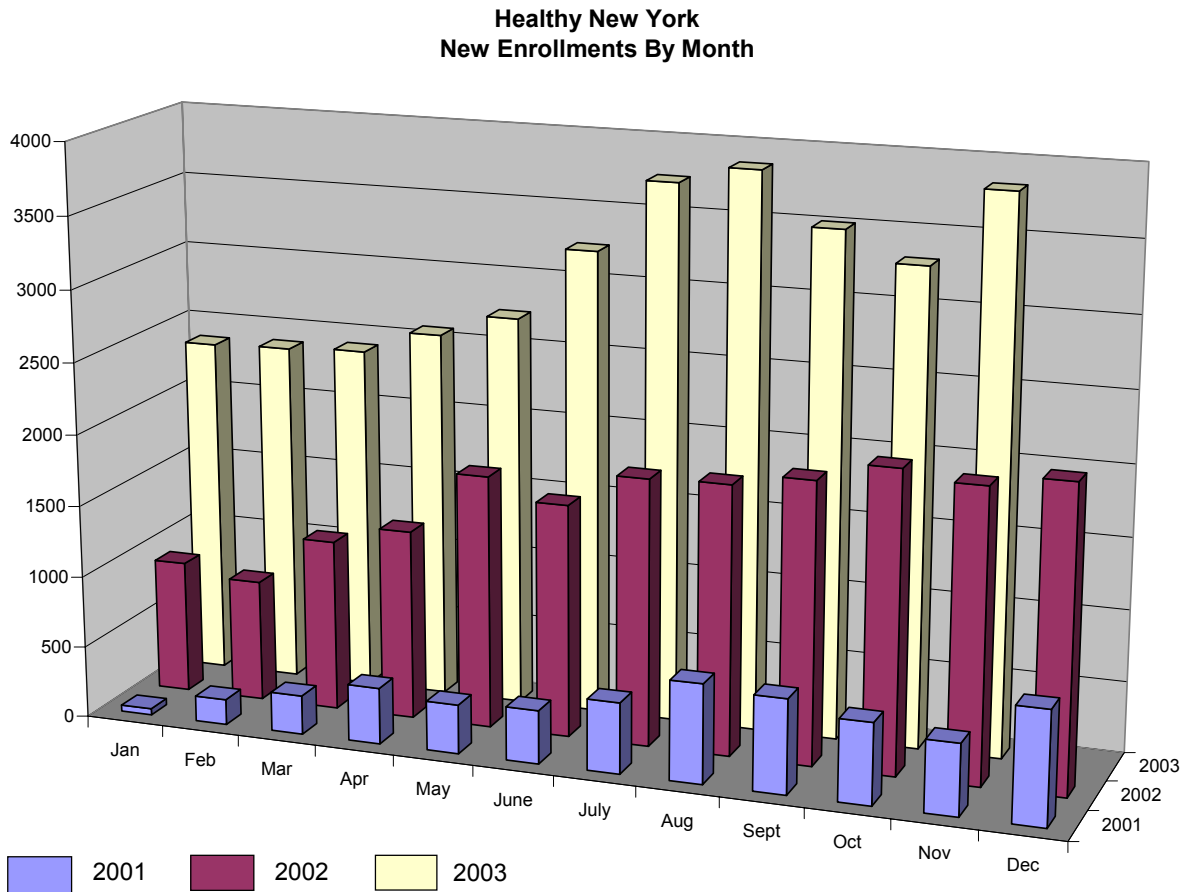
Table II-1: Statewide Quarterly Net and Gross Enrollment Levels

Month	Net Enrollment Level	Net Enrollment Increase (Versus Prior Quarter)	Gross Enrollment Level	Gross Enrollment Increase (Versus Prior Quarter)
Mar 1, 2001	222	222	222	222
June 1, 2001	1,178	956	1,232	1,010
Sept 1, 2001	2,552	1,374	2,790	1,558
Dec 1, 2001	3,986	1,434	4,514	1,724
Mar 1, 2002	5,976	1,990	7,082	2,568
June 1, 2002	9,407	3,431	11,373	4,291
Sept 1, 2002	13,382	3,975	16,740	5,367
Dec 1, 2002	17,760	4,378	22,832	6,092
Mar 1, 2003	22,056	4,296	29,696	6,864
June 1, 2003	26,815	4,759	37,403	7,707
Sept 1, 2003	33,083	6,268	48,214	10,811
Dec 1, 2003	39,661	6,578	58,880	10,666

As is apparent in Exhibit A and in Table II-1, the Program has been in a growth state throughout the first three years of operation. Healthy NY enrollment has increased continuously, with enrollment growing by an increasing number of persons in every quarter and the most recent full quarter (October, November and December of 2003) seeing the largest net increase to date. The progression of new enrollment into the Program is depicted in Exhibit B. As of late 2003, net enrollment (new enrollees less disenrollees) is increasing by more than 2,000 persons per month, as compared to 1,500 per month during 2002 and about 400 per month during 2001. Net enrollment roughly doubled during each six-month time period during the first two years of the Program. During 2003, the monthly rate of net increase has been approximately 7 percent.

The gross enrollment figures in Table II-1 indicate that the Program has served more than 58,000 persons since its inception. The gross number of additional enrollees each month during the second half of 2003 has been approximately 3,500 (with approximately 1,400 persons disenrolling each month to create the net enrollment gain of 2,100). Further information on disenrollment is provided in the last section of this chapter.

Exhibit B: New Enrollments By Month And Year



Factors That Influenced Enrollment in 2003

Healthy NY enrollment has been and will undoubtedly continue to be aided by the premium reduction and other initiatives that were implemented in July 2003. These initiatives were designed to reduce premium rates, expand choice in the benefit package and increase eligibility. Most significantly, the stop-loss corridors were adjusted and a non-prescription drug option was added. Both of these changes provide enrollees with lower premiums.

Healthy NY was not advertised by New York State between January and October of 2003. Nonetheless, enrollment continued to grow strongly, roughly doubling during this period.

In October 2003, the Insurance Department launched a new advertising campaign to inform New Yorkers about the Program and to encourage eligible persons to join. The marketing campaign consists of television, print advertisements, as well as direct-mail fliers featuring testimonials by people insured through the Program. Given the combination of lower Program premiums and heightened advertising, strong efforts have been made to increase both the Program’s visibility and attractiveness. While it is not possible to predict the Program’s future

enrollment trajectory with clarity, the steady enrollment growth that has occurred throughout the first three years, coupled with the enhancements made in the second half of 2003, create a high likelihood for continued strong enrollment growth.

Website and Phone Line Inquiries

A continuing high level of interest in and awareness of Healthy NY can also be demonstrated by the volume of inquiries to both the telephone information line and the website. The toll-free phone information line is accessible 24 hours a day, seven days a week. Table II-2 shows that in the past two years the volume of calls per month has more than doubled, as has the number of visits to the website. It is also interesting to note that in October and November of 2003, more website visits and calls came in than in any of the previous full quarters. This can almost certainly be attributed to interest in the Program enhancements, as well as the reincarnation of the advertising campaign.

Table II-2: Telephone and Website Inquiries

Quarter	Number of Visits to Healthy NY Website	Number of Calls to Information Hotline
1 st Qtr 2002	31,669	13,056
2 nd Qtr 2002	54,701	24,712
3 rd Qtr 2002	56,934	25,711
4 th Qtr 2002	65,797	26,140
1 st Qtr 2003	47,516	20,200
2 nd Qtr 2003	46,043	17,154
3 rd Qtr 2003	52,299	21,352
Oct, Nov 2003	68,774	32,197

The Insurance Department tracks the means by which callers to the Healthy NY telephone information line reported learning about the Program. This information (for those callers who gave a source) is summarized in Table II-3 and indicates some shifts between 2002 and 2003. As shown in Table II-3, 44 percent of callers between January and June of 2002 reported hearing of the Program through television and radio, demonstrating a sizable impact of advertising during the first half of 2002. The sources reported most frequently after television and radio were Family Health Plus, community organizations and the internet.

During the first half of 2003 when there was no advertising of the Program. Callers heard about Healthy NY mostly through other sources, although 11 percent still cited television and radio as their source. The most frequent sources of Program awareness cited during the first half of 2003 were Family Health Plus, pamphlets and the Internet. Eleven percent of callers during that time period also reported hearing about the Program via a friend or a relative, indicating that word-of-mouth has proven to be a powerful marketing tool.

Table II-3: Top Six Ways Information Hotline Callers Heard About Healthy NY

How Caller Heard About Healthy NY	Jan - June 2002 Percent of Total Calls
Television	30%
Radio	14%
Family Health Plus	14%
Community Organization	9%
Internet	8%
Friends/Relative	7%

How Caller Heard About Healthy NY	Jan - June 2003 Percent of Total Calls
Family Health Plus	16%
Pamphlet	14%
Internet	14%
Friends/Relative	11%
Insurance Company	9%
Television	9%

Far more women use the toll-free phone line than men. For example, during the first six months of 2003, about 10,000 men called the Healthy NY hotline compared to almost 23,000 female callers during that same time period. Enrollment has not been systematically collected by gender. However, in discussing Healthy NY enrollment by gender with the health plans, we learned that the Healthy NY enrollment is fairly similar to that in their other commercial insurance products.

B. Enrollment Mix by Category

Because Healthy NY has separate applications and eligibility rules for small businesses, sole proprietors, and working individuals, enrollment statistics are maintained separately for each category. Table II-4, which breaks down enrollment by category, indicates that nearly 58 percent of Healthy NY participants are enrolled under the working individual category, with the remaining enrollees almost evenly split between the small business and sole proprietor groups. While enrollment for all three categories has increased significantly and steadily throughout the Program's first three years of operation, the enrollment mix has been fairly consistent. The working individual group has gained a few percentage points in its share of the Program enrollment over time, with sole proprietors losing a few percentage points and the small business category remaining steady. The recent decline in the proportion of Healthy NY enrollment by sole proprietors seems to correspond to the September 2002 passage of legislation that amends the Insurance Law and requires health insurers that offer group coverage through New York's chambers of commerce or association groups to provide the same policies to sole proprietors. Under that law, the rate charged to sole proprietors must be within 20 percent of small group rates. Such rates are reportedly much less expensive than the premiums in the individual market paid by many sole proprietors.

One possible explanation for this enrollment mix is that the health plans are not allowed to vary their premiums by enrollment category. Because the individual population that purchases coverage is widely deemed to be higher-cost than the small group population (an assumption that is supported by the Program's cost experience to date, as shown in Chapter VI), the single set of premiums appears to be creating a more favorable "cost/benefit" value for the individual market than for the small group market.

**Table II-4: December 2001-December 2003 Enrollment:
Small Business, Sole Proprietor, Working Individual**

	December 1, 2001		December 1, 2002		December 1, 2003	
	Enrollees	% of Total	Enrollees	% of Total	Enrollees	% of Total
Small Business	804	20.0%	3,463	19.5%	8,177	20.6%
Sole Proprietor	1,120	27.8%	4,470	25.2%	8,250	20.8%
Working Individual	2,103	52.2%	9,819	55.3%	23,234	58.6%
Total	4,027	100.0%	17,752	100.0%	39,661	100.0%

C. Contract Mix by Tier Structure

Premiums for Healthy NY have four rate “tiers” – individual, two adults, parent and child(ren), and two parents and child(ren). Table II-5 breaks down enrollment according to these tiers based on September 2003 data reported by nine of the 10 largest plans in terms of Healthy NY enrollment. Individual coverage is purchased most often in each enrollment category (small business, sole proprietor, and working individual), particularly among the working individual group, where 69 percent of subscribers purchased individual coverage.

Table II-5: September 2003 Enrollment by Tier

	Small Business	Sole Proprietor	Working Individual	Total
Individual	58%	43%	69%	61%
Two Adult	12%	25%	14%	16%
Parent and Child(ren)	8%	5%	8%	8%
Two Parents and Child(ren)	22%	27%	9%	16%

With 61 percent of subscribers selecting single coverage and less than 25 percent purchasing packages that cover children, the average contract size (enrollees divided by subscribers) for Healthy NY membership is rather low. Table II-6, which summarizes enrollment between subscribers and dependents in July 2003, indicates an average contract size of 1.44 enrollees (calculated by dividing enrollees by subscribers), similar to the July 2002 average of 1.48. This figure is well below typical commercial insurance population distributions, where the average contract size usually ranges between 2.0 and 2.3.

Child Health Plus, New York’s S-CHIP program, may account for the low percentage of children enrolled in Healthy NY. With many children of Healthy NY enrollees qualifying for Child Health Plus, enrolling in Child Health Plus is usually a more attractive option because it charges lower or no premiums, provides a richer benefit package and does not require deductibles or co-payments.

Table II-6: July 2003 Enrollment Mix: Subscribers and Dependents

	Small Business	Sole Proprietor	Working Individual	Total
Subscribers	3,832	3,816	12,386	20,034
Dependents	2,258	2,639	3,935	8,832
Total Enrollment	6,090	6,455	16,321	28,866
Dependents as % of Total	37.1%	40.9%	24.1%	30.6%
Average Contract Size	1.59	1.45	1.32	1.44

D. Enrollment Mix by Health Plan

During 2003, 24 health plans participated in Healthy NY. Table II-7 presents each HMO's percentage of statewide Healthy NY enrollment as of December 1, 2003. As Program enrollment has increased significantly over the last year, virtually all plans have shared in and contributed to the Program's growth. Oxford experienced the most rapid market share growth, gaining 2,368 new members and increasing its share of statewide enrollment from 5.6 percent to 9.4 percent.

Healthy NY enrollment is concentrated in a few HMOs, but the smaller plans are gaining market share. The five largest health plans in 2002 (Vytra, Empire Health Choice, MVP, HealthNow, and CDPHP) again comprise the top HMOs in terms of enrollment and continue to enroll a majority of Healthy NY participants. However, these five plans collectively account for 56 percent of statewide enrollment, down from 63 percent last year. The next four plans in terms of number of enrollees collectively possess 24 percent of Program-wide enrollment as of November 2003; these same HMOs accounted for 17 percent of enrollment in December 2002.

Table II-7: December 1, 2003 Distribution of Enrollment Across HMOs

Insurer Name	Total Enrollment as of 12/01/03	% of Statewide Enrollment in 2003	% of Statewide Enrollment in 2002
Vytra Health Plans	4,981	12.6%	15.7%
HealthNow (both Albany and Western NY)	4,544	11.5%	10.5%
MVP Health Care	4,310	10.9%	11.1%
CDPHP	4,209	10.6%	9.9%
Empire HealthChoice	3,929	9.9%	15.4%
Oxford Health Plans	3,741	9.4%	5.6%
Aetna	2,479	6.3%	4.0%
Independent Health	1,924	4.9%	4.4%
GHI HMO	1,591	4.0%	2.9%
HIP Health Plans	1,496	3.8%	5.5%
Excellus Health Plan (BC/BS of Rochester)	1,201	3.0%	3.0%
CIGNA HealthCare of New York	1,030	2.6%	1.3%
Univera – WNY	874	2.2%	1.8%
Preferred Care	780	2.0%	1.1%
Excellus Health Plan (BC/BS of Central NY)	710	1.8%	2.1%
United Healthcare of NY	662	1.7%	1.2%
MDNY HealthCare	378	1.0%	1.0%
Atlantis Health Plan	276	0.7%	0.8%
Excellus Health Plan (BC/BS of Utica-Watertown)	230	0.6%	0.7%
Health Net of New York (Physicians Health Services)	105	0.3%	0.1%
Horizon Healthcare NY	98	0.2%	0.1%
MagnaHealth of NY	85	0.2%	0.3%
Managed Health	16	0.0%	0.1%
AmeriChoice of NY	12	0.0%	0.0%
Univera- CNY	0	0.0%	0.7%
Univera- Southern Tier	0	0.0%	0.6%
TOTAL	39,661	100%	100%

E. Enrollment Mix by Region/County

July 2002 and July 2003 enrollment by county is presented in Table II-8 along with each county's percent increase in enrollment over the year. As can be seen, enrollment has increased in practically every county from July 2002 to July 2003, with 10 small counties having increases of more than 300 percent. Many counties with relatively few Healthy NY enrollees, as well as the five counties that continue to have the highest levels of enrollment (Suffolk, Erie, Nassau, Queens and New York), have experienced significant jumps in enrollment. This confirms that the Healthy NY Program continues to grow in popularity throughout the State.

Table II-8: Healthy NY Enrollment by County, July 2002 and July 2003
(Counties shown in descending order by 2003 Healthy NY enrollment level)

County	July 2002 Enrollment	July 2003 Enrollment	% Increase	County	July 2002 Enrollment	July 2003 Enrollment	% Increase
Suffolk	1,658	3,802	129.3%	Wayne	33	125	278.8%
Erie	1,000	3,065	206.5%	Genesee	64	124	93.8%
Nassau	830	2,806	238.1%	Ontario	32	120	275.0%
Queens	584	1,726	195.5%	Herkimer	20	94	370.0%
New York	439	1,717	291.1%	Delaware	9	93	933.3%
Kings	388	1,523	292.5%	Schoharie	50	92	84.0%
Albany	519	1,461	181.5%	Fulton	26	86	230.8%
Westchester	379	1,096	189.2%	Clinton	48	83	72.9%
Monroe	285	849	197.9%	Oswego	17	80	370.6%
Dutchess	430	784	82.3%	Chenango	15	79	426.7%
Orange	194	708	264.9%	Tompkins	0	78	n/a
Ulster	128	676	428.1%	Wyoming	28	76	171.4%
Saratoga	295	658	123.1%	Livingston	26	73	180.8%
Rockland	145	581	300.7%	Otsego	6	70	1066.7%
Schenectady	242	581	140.1%	Cayuga	26	62	138.5%
Onondaga	106	524	394.3%	Tioga	32	62	93.8%
Bronx	119	460	286.6%	Chemung	0	60	n/a
Rensselaer	155	453	192.3%	Steuben	38	60	57.9%
Richmond	137	410	199.3%	Essex	33	59	78.8%
Niagara	267	369	38.2%	Orleans	32	59	84.4%
Oneida	597	322	-46.1%	Cortland	0	53	n/a
Columbia	125	309	147.2%	Allegany	43	50	16.3%
Putnam	68	278	308.8%	St. Lawrence	0	38	n/a
Broome	74	273	268.9%	Lewis	0	36	n/a
Chautaugua	140	245	75.0%	Yates	9	33	266.7%
Greene	67	217	223.9%	Jefferson	0	30	n/a
Montgomery	54	186	244.4%	Seneca	0	24	n/a
Sullivan	52	185	255.8%	Hamilton	0	19	n/a
Warren	111	178	60.4%	Schuyler	7	16	128.6%
Washington	81	167	106.2%	Franklin	0	10	n/a
Cattaraugus	48	166	245.8%	Total	10,338	28,849	179.1%
Madison	27	130	381.5%	NYC Total	1,667	5,836	250.1%

As of July 2003, eight counties had more than 1,000 Healthy NY members each (compared to only two counties in July 2002). However, Program enrollment is not highly concentrated in any geographic area – the county with the largest enrollment (Suffolk) held only 13 percent of statewide enrollment. The top five counties in terms of July 2003 Healthy NY enrollment accounted for 45 percent of Program enrollment.

Table II-9 presents each county's share of the State's total population alongside each county's share of Healthy NY statewide enrollment. As can be seen, several counties have attained levels of Healthy NY enrollment significantly different from their share of the State's population.

Table II-9: Healthy NY Enrollment by County and State Population by County, July 2003
(Counties shown in descending order by 2003 Healthy NY enrollment level)

County	County Share of Healthy NY Enrollment	County Share of State Population	County	County Share of Healthy NY Enrollment	County Share of State Population
Suffolk	13.2%	7.5%	Wayne	0.4%	0.5%
Erie	10.6%	5.0%	Genesee	0.4%	0.3%
Nassau	9.7%	7.0%	Ontario	0.4%	0.5%
Queens	6.0%	11.7%	Herkimer	0.3%	0.3%
New York	6.0%	8.1%	Delaware	0.3%	0.3%
Kings	5.3%	13.0%	Schoharie	0.3%	0.2%
Albany	5.1%	1.6%	Fulton	0.3%	0.3%
Westchester	3.8%	4.9%	Clinton	0.3%	0.4%
Monroe	2.9%	3.9%	Oswego	0.3%	0.6%
Dutchess	2.7%	1.5%	Chenango	0.3%	0.3%
Orange	2.5%	1.8%	Tompkins	0.3%	0.5%
Ulster	2.3%	0.9%	Wyoming	0.3%	0.2%
Saratoga	2.3%	1.1%	Livingston	0.3%	0.3%
Schenectady	2.0%	0.8%	Otsego	0.2%	0.3%
Rockland	2.0%	1.5%	Tioga	0.2%	0.3%
Onondaga	1.8%	2.4%	Cayuga	0.2%	0.4%
Bronx	1.6%	7.0%	Chemung	0.2%	0.5%
Rensselaer	1.6%	0.8%	Steuben	0.2%	0.5%
Richmond	1.4%	2.3%	Essex	0.2%	0.2%
Niagara	1.3%	1.2%	Orleans	0.2%	0.2%
Oneida	1.1%	1.2%	Cortland	0.2%	0.3%
Columbia	1.1%	0.3%	Allegany	0.2%	0.3%
Putnam	1.0%	0.5%	St. Lawrence	0.1%	0.6%
Broome	0.9%	1.1%	Lewis	0.1%	0.1%
Chautaugua	0.8%	0.7%	Yates	0.1%	0.1%
Greene	0.8%	0.3%	Jefferson	0.1%	0.6%
Montgomery	0.6%	0.3%	Seneca	0.1%	0.2%
Sullivan	0.6%	0.4%	Hamilton	0.1%	0.0%
Warren	0.6%	0.3%	Schuyler	0.1%	0.1%
Washington	0.6%	0.3%	Franklin	0.0%	0.3%
Cattaraugus	0.6%	0.4%	Total	100%	100%
Madison	0.5%	0.4%	NYC Total	20.2%	42.1%

Six counties have experienced disproportionately low enrollment, which is defined as reporting Program enrollment that is at least 1 percentage point less than their share of the State's population. These counties are: Kings (with a differential of -7.7 percentage points), Queens (-5.7), Bronx (-5.4), New York (-2.1), Westchester (-1.1), Monroe (-1.0). The four counties that lead in disproportionately low enrollment are boroughs of NYC.

New York City has had disproportionately low Healthy NY enrollment throughout the Program's existence. As of July 2003, NYC held 20 percent of Program enrollment, whereas 42 percent of the overall state population resides in NYC. Some likely reasons for this dynamic are that:

- a) the Program's income eligibility thresholds are constant across the State, whereas the cost of living is relatively much higher in NYC than is the case on average throughout the remainder of the State;
- b) average Program premiums are higher in New York City than in the rest of the state. The average premium for individual coverage is \$230 across the five boroughs, whereas the corresponding average individual premium across the remainder of the State is \$195; and
- c) a variety of other health coverage initiatives exist in the New York City area to help uninsured businesses and individuals. These include HealthStat, Working Today, Brooklyn Health Works, and Health Pass.

New York City residents who qualify for Healthy NY have less purchasing power than their upstate counterparts (due to the higher cost of living in NYC) and are less able to afford the Healthy NY premiums given that the Program's premiums are substantially higher in NYC than elsewhere in the State.

At the same time, New York City experienced a Program enrollment increase of 250 percent between July 2002 and July 2003, a faster growth rate than occurred in the remainder of the State (165 percent).

A final noteworthy point on the Program's enrollment mix by county is that all nine upstate counties that did not have any Healthy NY enrollment as of July 2002 (Chemung, Cortland, Franklin, Hamilton, Jefferson, Lewis, Seneca, St. Lawrence and Tompkins) now have enrollment. The only county that experienced a drop in enrollment between July 2002 and July 2003 was Oneida, with enrollment decreasing from 597 to 322.

F. Enrollment Mix by Prescription Drug Option

Beginning in July 2003, Healthy NY plans were required to offer two Healthy NY benefit options - one with prescription drug coverage and one without prescription drug coverage. On average, Healthy NY premiums for plans without prescriptions drugs are priced 12 percent below corresponding premiums with prescription drug coverage. New enrollees, as well as existing enrollees at the time of their annual re-enrollment, can elect this lower-priced option or choose the original benefit package. As shown in Table II-10, as of November 1, 2003, only about 4 percent of all Program enrollees did not have prescription drug coverage.

Table II-10: Enrollment by Prescription Drug Option as of November 1, 2003

	Total	With Rx	Without Rx	% Without Rx
Small Business	7,824	7,566	258	3.3%
Sole Proprietors	7,861	7,524	337	4.3%
Individuals	21,610	20,674	936	4.3%
Total	37,295	35,764	1,531	4.1%

While this 4 percent figure is useful in determining the extent to which enrollees are currently served by plans without prescription drug coverage, it is not a valid indicator of the longer-term attractiveness of the prescription drug benefit since the option is new and the amount of available data is still small. Healthy NY enrollees that joined prior to July 2003 have yet not been given the opportunity to elect the lower-priced, non-pharmacy option.

To better evaluate the popularity of the non-prescription drug plans, the number of members enrolled in the lower-priced plan from July through October of 2003 was compared with the number of new enrollees during this same time period. Table II-11 indicates that a significant majority of new enrollees are opting for drug coverage and only 18 percent are choosing the less costly non-pharmacy option.

Table II-11: Enrollment from June 1, 2003 to November 1, 2003

	June 1, 2003	November 1, 2003	Net Increase	Without Rx	% Without Rx
Small Business	6,087	7,824	1,737	258	14.9%
Sole Proprietors	6,465	7,861	1,396	337	24.1%
Individuals	16,407	21,610	5,203	936	18.0%
Total	28,959	37,295	8,336	1,531	18.4%

The data suggest that enrollees strongly prefer maintaining prescription drug coverage even at a higher monthly premium and survey responses confirm this preference (see Chapter V), with nearly two-thirds of individuals and sole proprietors surveyed “definitely” or “probably” maintaining drug coverage. However, given the newness of the non-pharmacy option and the known price sensitivities of those who have joined the Program, it is difficult to draw strong conclusions about how the enrollment mix will evolve with regard to the optional pharmacy coverage. Tables II-10 and II-11 also provide early indication that individuals and sole proprietors may be more likely to forego drug coverage than small businesses.

G. Training and Enrollment

In October 2002, the Department of Insurance conducted outreach and training sessions on Healthy NY for local Medicaid case workers, with the intent that these case workers would refer applicants who do not qualify for Medicaid to the Healthy NY Program. Sessions were conducted in the following areas: Brooklyn, Buffalo, Canandaigua, Lake Placid, Long Island, and Poughkeepsie.

In the counties associated with the cities where the training sessions were conducted, enrollment increased significantly, particularly in Erie, Nassau, and Kings Counties (see Table II-12). When the enrollment of these counties where the trained Medicaid case workers served is compared to the overall enrollment of the Program, the increases in enrollment are similar. The training sessions likely helped increase awareness of the Program for qualified individuals and led to new enrollment; however, health plan representatives interviewed indicated that they had experienced little enrollment resulting from this initiative. While the Department’s

efforts clearly seem to be a worthwhile, innovative undertaking, the degree to which these efforts led to increased enrollment could not be isolated and quantified.

Table II-12: Enrollment in Training and Outreach Counties, July 2002 and July 2003

County	July 1, 2002 Enrollment	July 1, 2003 Enrollment	% Increase
Suffolk (Long Island)	1,658	3,802	129%
Erie (Buffalo)	1,000	3,065	207%
Nassau (Long Island)	830	2,806	238%
Kings (Brooklyn)	388	1,523	293%
Dutchess (Poughkeepsie)	430	784	82%
Ontario (Canandaigua)	32	120	275%
Essex (Lake Placid)	33	59	79%
Total (Counties w/Training):	4,371	12,159	178%
All Counties	10,338	28,849	179%

H. Advertising and Enrollment

Since Healthy NY's first year in 2001, the Insurance Department has engaged in multiple media campaigns, most heavily during early 2002. Advertising on television and radio tailed off toward the end of 2002 and ceased altogether during 2003 until October, when the Department resumed its campaign. Over the course of the Healthy NY program, advertising campaigns have played a key role in the Program's enrollment figures. Results from a survey sent to enrollees, examined later in Chapter V, underscore the impact of advertisements on Program visibility and enrollment.

In examining the relationship between Healthy NY's advertising presence with awareness indicators mentioned earlier in this report, it seems that the absence of advertising may have contributed to the slowing of growth in enrollment and inquiries into the Program. As the data in Table II-13 indicate, in 2002 enrollment from January to June increased 98.5 percent (from 5,376 to 10,673), compared to the same period in 2003 when enrollment increased 41.1 percent (from 20,515 to 28,951).²

Although the rate of growth has slowed, the absolute rise in net enrollment continues to grow every month. The increase of more than 40 percent during the first half of 2003 represents an impressive gain in enrollment, particularly in the face of a complete absence of advertising. However, our most recent enrollee survey (discussed in detail in Chapter V) indicates that 48 percent of those who enrolled in Healthy NY during roughly the first half of 2003 became aware of the Program through advertising. Thus, there have been some longer-term, residual effects

² Note that it is a mathematical certainty that the Program's percentage growth rate must decrease at some point. If the Program were to continue to double in enrollment every few months, for example, as occurred during the Program's first year, enrollment would exceed the entire population of the state within a few years. Thus, a drop-off in the Program's percentage enrollment growth does not, in and of itself, suggest diminished attractiveness.

from the State's previous media campaigns (e.g., persons became aware of the Program through advertising in 2001 or 2002 but did not enroll until 2003 when their personal circumstances perhaps changed). The impressive enrollment growth during the period of non-advertising also demonstrates that factors outside of the media advertising realm (e.g., word of mouth from existing Program enrollees) are heavy contributors to the Program's enrollment.

Table II-13: Increase in Enrollment, Website Visits, and Hotline Calls, Jan-June, 2002 and 2003

Period	Increase in Net Enrollment	Increase in Visits to Healthy NY Website	Increase in Calls to Information Hotline
Jan-June 2002	98.5%	6,564	3,607
Jan-June 2003	41.1%	-2,039	-1,844

A correlation exists between advertising presence and inquiries into the Program, as identified by examining the number of calls to the Healthy NY hotline and hits on the Healthy NY website. Table II-13 shows that inquiries through the website and the hotline increased from January to June 2002, a period when advertising for Healthy NY was heavy, and as mentioned earlier in the report, callers credited television and radio advertisements as their top sources for hearing about the Program. Over the same period in 2003, when the Insurance Department did not conduct any media campaigns, the volume of website hits and phone calls decreased. However, as was shown in Table II-2, the relationship between advertising and inquiries is still present as calls and website visits have shot up dramatically since the advent of Healthy NY's most recent advertising campaign, which began in October 2003.

I. Disenrollment

Disenrollment statistics are provided to the Insurance Department monthly by each health plan and are summarized in Table II-14. The disenrollment rate is defined as the number of persons leaving a health plan in a given month divided by the number of enrollees in the prior month. In 2003, the monthly disenrollment rate up to the end of October was on average 4.6 percent and ranged from 3.3 percent to 6.5 percent, slightly higher than the average 2002 rate of 4.1 percent and range of 2.9 percent to 5.1 percent.

Table II-14: Healthy NY Monthly Disenrollment Rate, 2002 and 2003

Month	Total Disenrollees	Disenrollment Rate
Jan-2002	191	4.0%
Feb-2002	241	4.3%
Mar-2002	270	4.5%
Apr-2002	247	3.5%
May-2002	300	3.7%
Jun-2002	361	3.6%
Jul-2002	485	4.5%
Aug-2002	559	4.6%
Sep-2002	686	5.1%
Oct-2002	592	4.0%
Nov-2002	469	2.9%
Dec-2002	829	4.7%

Month	Total Disenrollees	Disenrollment Rate
Jan-2003	771	4.0%
Feb-2003	806	3.9%
Mar-2003	904	4.1%
Apr-2003	866	3.6%
May-2003	1,250	4.9%
Jun-2003	1,093	4.1%
Jul-2003	1,880	6.5%
Aug-2003	1,652	5.3%
Sep-2003	1,077	3.3%
Oct-2003	1,493	4.2%
Nov-2003	1,412	3.8%

Although the disenrollment rate has increased slightly during this past year, it is unlikely to be attributed to dissatisfaction with the Program. As discussed later in Chapter V, the enrollee survey reported that the vast majority of respondents, 89 percent, stated that they were “satisfied” or “highly satisfied” with Healthy NY. Perhaps more importantly, a survey of disenrollees conducted in the 2002 Report found that the vast majority of disenrollees were satisfied with the Program.³ The employer survey showed that of employees leaving Healthy NY, most had accessed other health insurance and a significant percentage were no longer employed by the organization. Thus, the disenrollment rate should not serve as cause for concern, as some participants are using Healthy NY as a stop-gap measure for health insurance until they can access another source for coverage.

J. Enrollment Duration

Due to the Program’s rapid rate of enrollment growth, most Healthy NY enrollees are relatively new to the Program. Based on enrollment data as of September 2003 from eight of the nine largest Healthy NY plans, Table II-15 indicates that almost 30 percent of enrollees have been enrolled for fewer than three months. More than half of enrollees had been in Healthy NY for fewer than six months. Only nine percent have been in the Program longer than 12 months, fewer than the number of people who enrolled in September 2003.

Across the 12 month period ending in September 2003, the average enrollee was covered by Healthy NY for 6.26 months. The rather short duration of most Program members’ enrollment

³ “Report on the Healthy NY Program 2002,” pages 27-32. The most common reasons cited for leaving the Program were “found another source of coverage,” “lost eligibility,” and “unaffordable premiums.” Twenty-five percent of disenrollees left the Program due to dissatisfaction.

can be attributed primarily to the fact that Healthy NY has continually been in a rapid growth mode.

Table II-15: Duration of Enrollment Among September 2003 Enrollees In Nine Health Plans

Month of Enrollment Into Healthy NY	% of Enrollees
September 2003	10.7%
August 2003	10.0%
July 2003	10.7%
June 2003	8.2%
May 2003	7.7%
April 2003	7.2%
March 2003	6.9%
February 2003	6.4%
January 2003	6.7%
December 2002	5.9%
November 2002	5.3%
October 2002	5.0%
Prior to October 2002	9.3%

Due to the Program's stop-loss coverage, the short duration of membership for most Healthy NY enrollees has important implications for the participating HMOs in terms of their premiums and net medical costs. Because so many of a given year's participants are enrolled for periods much shorter than 12 months, it is less likely they will accrue enough expenses to reach the stop-loss threshold than had they been enrolled for an entire year. Persons with short enrollment duration are also much less likely to go as far into the stop-loss corridor (once they reach the stop-loss threshold) than if they were enrolled throughout the year.

Table II-16 conveys the length of time disenrollees were enrolled in Healthy NY. Most disenrollees in 2003 ended their participation within a short period of time after enrollment. Coupled with our 2002 Report's findings that most disenrollees were satisfied with Healthy NY, this information indicates that for many enrollees, Healthy NY is a temporary coverage vehicle.

Table II-16: Duration of Enrollment, Persons Disenrolling From Nine Health Plans Jan-Sep 2003

Enrollment Duration	Disenrollees
Enrolled less than 3 months	29.4%
Enrolled 3-6 months	25.2%
Enrolled 6-12 months	29.2%
Enrolled > 1 year	16.2%

III. RELATIONSHIP OF PREMIUM LEVELS AND HEALTHY NY ENROLLMENT

Throughout the first three years of Healthy NY operations, annual premium rate increases have been modest or virtually non-existent. In the beginning of 2003, most plans held Healthy NY premiums at the 2002 level. After modifications made to the Program mid-year 2003, most notably the new stop-loss corridor and the change making prescription drug coverage an optional benefit, most health plans reduced Healthy NY premiums. Effective July 1, 2003, premiums for plans with prescription drug coverage were lowered by an average of 17 percent. Enrollees attained an additional 12 percent premium reduction if they elected to forgo prescription drug coverage.

To assess the impact of these new premiums on enrollment, we analyzed enrollment data provided by the Insurance Department and premium information from the Healthy NY website. The following data items were tabulated:

- July 2003 enrollment by health plan, county, and enrollment category (small employer, sole proprietor, and working individual);
- Premiums from 2001-2003;
- A created data field that indicates each health plan's individual premium rank in each county it serves (e.g., 1 indicates the health plan has the lowest premium in that county, 2 indicates second lowest, etc);
- A created data field that groups individual tier premiums into \$25 cohorts beginning at \$125 - \$150 (which includes the lowest individual premium) and ending at \$275 - \$300 (which includes the highest individual premium).

These data permit a wide range of analyses that compare enrollment levels and premiums. Note that individual premium levels were used throughout these analyses. While individual premiums represent only one of Healthy NY's four rate tiers, 61 percent of the Program's subscribers have purchased individual coverage, making the individual premium the most important tier to assess. In addition, HMO rates for the other tiers tend to track well with the amounts being charged for individual coverage (e.g. a health plan that offers a relatively low individual premium in a given county generally offers relatively low rates for the other three tiers as well). Thus, the individual premiums serve as a good proxy for the relative competitiveness of all the Healthy NY premiums offered.

Because enrollment by county is reported every six months, most of our analyses in this chapter are based on data as of July 1, 2003. In cases where these mid-year enrollment data were compared to premiums, the premiums charged by health plans from January 2003 to June 2003 were used, as opposed to the lower premium amounts which went into effect in July 2003. Also, HMOs were included in our ranking and organization of premiums only for those counties where they had Healthy NY enrollees as of July 2003.

Collectively, the 24 HMOs in Healthy NY serve at least one enrollee in all 62 counties. Each health plan has enrollees in at least two counties. The health plan with the widest geographic breadth has enrollees in 28 counties.

A. Premiums Charged by HMOs With Largest Program Enrollment

Table III-1 illustrates the number of cases in which each plan is the lowest-cost, second-lowest, etc. in the counties it serves, and the five plans with the highest level of total enrollment as of November 2003 are shown in bold. Clearly, price is an important consideration in plan selection, with four of the five most popular plans (CDPHP, HealthNow, MVP, and Vytra) offering price-competitive products, usually the lowest or second-lowest premium. HealthNow, which has the lowest premium in each of the 24 counties it enrolls members, maintains the second largest enrollment in the Program. Although Vytra only competes in three counties, it has the highest enrollment of any plan, offering the lowest premium in Nassau County and the second lowest in Suffolk and Queens.

While there is a general correlation between low premiums and high enrollment, Empire HealthChoice's experience to date counters this trend. Although its premiums are consistently higher than most of its counterparts, averaging the 7th ranked plan in price in counties served, Empire HealthChoice is among the leaders in terms of overall Healthy NY membership.

Table III-1: Premium Rank of Health Plans in the Counties Each Serves

Health Plan	# of Counties In Which HMO's Individual Premium Is Ranked 1 st , 2 nd , 3 rd , etc.					Total Counties Served	Avg Premium Rank In Counties Served
	First (Lowest)	Second	Third	Fourth	5 th or above		
Aetna		1	2	6	10	19	4.6
AmeriChoice					2	2	6.5
Atlantis	5					5	1.0
CDPHP	3	14	4	1	2	24	2.4
CIGNA			1	2		3	3.7
Empire HealthChoice			2	4	22	28	7.2
Excellus (Central NY)	1		3	2	1	7	3.4
Excellus (Rochester)		4	4	1		9	2.7
Excellus (Utica-Watertown)		2	3	1	3	9	3.7
GHI HMO Select	4	8	3	8	2	25	2.8
HealthNet (Physicians Health Services)					9	9	8.8
HealthNow	24					24	1.0
HIP					10	10	8.9
Horizon			4	2		6	3.3
Independent Health		8				8	2.0
MagnaHealth					8	8	8.0
Managed Health					4	4	6.8
MDNY Healthcare	1					1	1.0
MVP Health Care	7	8	12			27	2.2
Oxford				1	11	12	5.6
Preferred Care	4	2		3		9	2.2
United HealthCare		1	1	2	7	11	6.3
United HealthCare of Upstate New York			1		2	3	5.3
Univera Healthcare-Western NY			5		2	7	3.6
Vytra Health Plans	1	2				3	1.7
Total	50	50	45	33	95	273	4.1

B. Enrollment by Premium Rank and Number of Plans Offered by County

Table III-2 presents a matrix demonstrating the relationship of premium rank within each county and the number of plans offered. The July 2003 enrollment is shown in the top half of Table III-2 with the corresponding percentages below. The data demonstrate that Healthy NY participants have a strong preference for lower-priced health plans, but also that most enrollees consider something other than price in selecting a health plan. Of all July 2003 Healthy NY enrollees, 34 percent selected the lowest-priced health plan in their county as compared to 41 percent a year earlier. Of the July 2003 enrollees, 68 percent selected a plan whose premium was ranked first, second, or third. In cases where enrollees have a choice of five or more HMO products, 48.5 percent selected a plan with either the lowest or second-lowest premium.

Although premium amount plays an important role in plan selection, price is not the only factor applicants consider when choosing a plan. Overall, two-thirds of the Program’s enrollees selected a health plan that is *not* the lowest-priced option available. In addition, the proportion of enrollees selecting relatively higher-priced options increased between July 2002 and July 2003. Nearly 10,000 enrollees (more than one-third of Healthy NY participants) reside in counties where they have a choice of 12 plans (Kings, Nassau, Queens, and Suffolk); in these counties, 18 percent of enrollees selected the plan with the highest premiums.

Table III-2: Enrollment Distribution by Premium Rank and Number of Plans Offered

Number of Plans in County	Premium Rank Within County (# of Enrollees)												Grand Total	% Enrollment # of Plans In County		
	1	2	3	4	5	6	7	8	9	10	11	12				
1	285														285	1.0%
2	213	227													440	1.5%
3	2,712	1,676	1,268												5,656	19.6%
4	303	209	297	173											982	3.4%
5	1,781	2,775	797	373	450										6,176	21.4%
6	48	55	8	58	28	81									278	1.0%
7															0	0.0%
8	207	688	427	338	49	79	44	756							2,588	9.0%
9															0	0.0%
10	17	32	84	4	64	48	10	3	2	146					410	1.4%
11	86	72	276	202	174	542	105	149	8	19	544				2,177	7.5%
12	4,224	436	492	424	412	1,010	771	13	110	52	112	1,801			9,857	34.2%
Grand Total	9,876	6,170	3,649	1,572	1,177	1,760	930	921	120	217	656	1,801			28,849	100.0%

Number of Plans in County	Premium Rank Within County (% of Enrollees)												Grand Total		
	1	2	3	4	5	6	7	8	9	10	11	12			
1	100.0%														100.0%
2	48.4%	51.6%													100.0%
3	47.9%	29.6%	22.4%												100.0%
4	30.9%	21.3%	30.2%	17.6%											100.0%
5	28.8%	44.9%	12.9%	6.0%	7.3%										100.0%
6	17.3%	19.8%	2.9%	20.9%	10.1%	29.1%									100.0%
7															
8	8.0%	26.6%	16.5%	13.1%	1.9%	3.1%	1.7%	29.2%							100.0%
9															
10	4.1%	7.8%	20.5%	1.0%	15.6%	11.7%	2.4%	0.7%	0.5%	35.6%					100.0%
11	4.0%	3.3%	12.7%	9.3%	8.0%	24.9%	4.8%	6.8%	0.4%	0.9%	25.0%				100.0%
12	42.9%	4.4%	5.0%	4.3%	4.2%	10.2%	7.8%	0.1%	1.1%	0.5%	1.1%	18.3%			100.0%
Grand Total	34.2%	21.4%	12.6%	5.4%	4.1%	6.1%	3.2%	3.2%	0.4%	0.8%	2.3%	6.2%			100.0%

The preference for lower priced products is also evident when examining enrollment according to the spread between the lowest premium in a county and its competitors. Table III-3, which unlike Table III-2 only includes counties in which more than one plan has at least one enrollee, shows that more than half of enrollees choose either the lowest priced plan or one within \$10 of its monthly premium. However, Table III-3 further demonstrates that many enrollees are willing to look beyond price in selecting coverage, as more than 40 percent of Healthy NY participants are willing to pay more than \$20 per month above the lowest premium offered for the health plan of their choice.

Table III-3: Enrollment Distribution by Relationship to Lowest-Cost HMO

	# of Enrollees July 2003	Percent Distribution
Persons in lowest-cost HMO available in their county	9,477	33.2%
Persons not in lowest, but within \$10 per month of lowest	4,971	17.4%
Persons between \$10-\$20 per month of lowest	2,436	8.5%
Persons in HMO more than \$20 per month higher than lowest	11,680	40.9%
Total	28,564	100.0%

A significant number of Healthy NY participants select the *most* expensive HMO available in their area. As shown in Table III-4, among counties with enrollment in at least two plans, 19 percent of enrollees select the most expensive plan in their county, compared to 33 percent choosing the lowest-cost plan. Most of these enrollees have joined Empire HealthChoice. In some instances, Empire's enrollees pay as much as \$150 more per month than the lowest-priced available plan. Empire recently notified the Insurance Department that it will lower its Healthy NY premiums by an average of 17 percent effective December 1, 2003. This will result in annual savings of approximately \$480 for Empire HealthChoice subscribers purchasing single coverage.

Table III-4: Enrollment Distribution by Relationship to Most-Expensive HMO

	# of Enrollees July 2003	Percent Distribution
Persons in most expensive HMO available in their county	5,445	19.1%
Persons not in most expensive, but within \$20 per month of most expensive	985	3.4%
Persons in HMO more than \$20 per month less than most expensive	22,134	77.5%
Total	28,564	100.0%

Of those enrollees willing to pay for the expensive coverage, most seem to be gravitating to a few select plans, Empire HealthChoice in particular. As shown in Table III-5, 71 percent of enrollees paying the most expensive premium in their area are enrolled in Empire HealthChoice and 28 percent are in an Excellus/Univera plan. As both Empire and Excellus/Univera are

licensed to use the Blue Cross and Blue Shield trade names, these findings may reflect the attractiveness of the strong, positive name-recognition. Even among a relatively low-income population, there appears to be a strong motivation to consider non-price factors.

Table III-5: Enrollment Distribution of Persons Enrolled in Most Expensive Plan in County

Insurer Name	Persons enrolled in most expensive HMO available	% of Total
CDPHP	14	0.3%
Empire HealthChoice	3,868	71.0%
Excellus Health Plan (BC/BS of Central NY)	91	1.7%
Excellus Health Plan (BC/BS of Rochester)	782	14.4%
Excellus Health Plan (BC/BS of Utica-Watertown)	56	1.0%
Preferred Care	5	0.1%
United Healthcare of Upstate NY	12	0.2%
Univera Healthcare-Western NY	617	11.3%
Total	5,445	100.0%

Enrollment Mix by Premium Level

The correlation between enrollment in health plans and lower premium cost is also evident in the distribution of enrollees by premium. Table III-6 arranges July 2003 enrollees by the individual premium cost of the plan. Across all Healthy NY plans where enrollment has occurred, the average monthly individual premium charged is \$202. Most enrollees join plans with premiums less than this amount, with 54 percent paying \$175 or less per month and 60 percent paying \$200 or less monthly. Many enrollees are willing to pay well above the \$202 average, as 11 percent pay \$279 per month.

Table III-6: Relationship of Premium Corridors and Healthy NY Enrollment Distribution as of July 2003

Monthly Premium Corridor	Total Enrollment	Percent of Enrollment	Total #of HMO product offerings	% of HMO product offerings
\$125-\$150	3,469	12%	18	6%
\$151-\$175	12,257	42%	97	35%
\$176-\$200	1,852	6%	18	6%
\$201-\$225	3,976	14%	57	20%
\$226-\$250	3,875	13%	64	23%
\$251-\$275	151	1%	14	5%
\$276-\$300	3,269	11%	11	4%
Total	28,849	100%	279	100%

Product offerings in this table are defined as each combination of HMO and county (e.g., an HMO offering the same premium in four different counties would have that premium counted as four product offerings in this table).

Dynamics of Plan Selection Within Selected Counties

Many counties, notably Suffolk, Erie and Albany, display price-based plan selection, meaning that a significant portion of Healthy NY enrollment is in the plan(s) with the lowest premiums. In contrast, most enrollees in other counties do not select the lowest priced plan or plans. To be specific, 66.8 percent of enrollees did not choose the lowest-priced plan as of July, 2003. Other factors influence plan selection. In some counties, members choose Blues plans even if they are expensive relative to alternative plans. Other counties have a significant membership in non-Blues Cross plans that are not among the lowest-priced plans.

Counties with Price-Based Plan Selection

The counties that display price-based plan selection include:

- Suffolk
- Erie
- Albany
- Dutchess
- Ulster
- Saratoga
- Schenectady

The following table displays these counties, participating Healthy NY plans, and the corresponding premiums and enrollment levels.

Table III-7: Select Counties with Price-Based Plan Selection

County	Health Plan	Single Premium, Jan. 2003-July 2003	Total Enrollment, July 2003	Percent Market Share within County, July 2003
Suffolk	Aetna	\$225.00	183	5%
	Empire HealthChoice	\$279.18	400	11%
	GHI HMO Select	\$211.57	8	0%
	HealthNet (Physicians Health Services)	\$233.62	5	0%
	HIP	\$214.32	125	3%
	Horizon	\$214.71	1	0%
	MagnaHealth	\$234.00	6	0%
	Managed Health	\$233.61	6	0%
	MDNY Healthcare	\$197.82	262	7%
	Oxford	\$228.38	153	4%
	United Healthcare	\$245.50	59	2%
	Vytra Health Plans	\$164.28	2594	68%
Erie	HealthNow	\$128.89	1834	60%
	Independent Health	\$138.00	861	28%
	Univera Healthcare-Western NY	\$162.79	370	12%

County	Health Plan	Single Premium, Jan. 2003-July 2003	Total Enrollment, July 2003	Percent Market Share within County, July 2003
Albany	CDPHP	\$155.73	654	45%
	Empire HealthChoice	\$247.09	18	1%
	GHI HMO Select	\$172.33	4	0%
	HealthNow	\$151.21	734	50%
	MVP Health Care	\$167.10	51	3%
Dutchess	Aetna	\$225.00	34	4%
	CDPHP	\$205.56	71	9%
	Empire HealthChoice	\$279.18	109	14%
	GHI HMO Select	\$188.99	54	7%
	HealthNet (Physicians Health Services)	\$252.67	1	0%
	MVP Health Care	\$192.83	491	63%
	Oxford	\$228.38	18	2%
	United HealthCare	\$222.59	6	1%
Ulster	Aetna	\$225.00	2	0%
	CDPHP	\$183.76	107	16%
	Empire HealthChoice	\$247.09	59	9%
	GHI HMO Select	\$181.43	60	9%
	MVP Health Care	\$170.84	448	66%
Saratoga	CDPHP	\$155.73	462	70%
	Empire HealthChoice	\$247.09	30	5%
	GHI HMO Select	\$172.33	6	1%
	HealthNow	\$151.21	41	6%
	MVP Health Care	\$167.10	119	18%
Schenectady	CDPHP	\$155.73	421	72%
	Empire HealthChoice	\$247.09	15	3%
	GHI HMO Select	\$172.33	2	0%
	HealthNow	\$151.21	31	5%
	MVP Health Care	\$167.10	112	19%

As shown in Table III-7, Suffolk County, Erie County and Ulster County have each experienced more than 60 percent of Healthy NY enrollment in the lowest priced plan. In Suffolk, the lowest priced plan continues to be Vytra Health Plans. The Vytra individual premium from January 2003 to July 2003 was \$164, whereas its competitors remained in a significantly higher price range (\$197-\$279). In Erie County, the lowest priced plan is still HealthNow (individual premium of \$128). Even though all premiums are relatively low in Erie (the other two plans have individual premiums of \$138 and \$162), HealthNow captures 60 percent of the market. In Ulster, MVP is the lowest priced plan in the county, as it is in several other upstate counties.

Although price-based selection is also evident in Dutchess, Saratoga and Schenectady, the majority of the Healthy NY enrollment in each of these counties can be found in the plan with the second-lowest premiums (MVP in Dutchess and CDPHP in Saratoga and Schenectady).

Counties with Non-Price-Based Plan Selection

Selected counties with non-price-based plan selection, as depicted in Table III-8, include New York, Kings, Westchester, Monroe, Bronx and Richmond.

In New York, Kings, Westchester and Richmond, the highest priced health plan, Empire HealthChoice, captured the most enrollees in each county. In Monroe County, the majority of the membership has chosen Excellus, also the highest priced plan in the county (at \$172.74 for a single premium). In the Bronx, CIGNA (one of the higher priced plans in the county) has the most members (22 percent), while the second most popular plan, Empire HealthChoice (with 18.9 percent of the county's market share) is the highest priced at \$279.18 .

Table III-8: Select Counties with Non-Price-Based Plan Selection
(all figures as of June 2003)

County	Health Plan	Individual Premium	July 2003 Enrollment	Market Share Within County
New York	Aetna	\$225.00	201	12%
	Atlantis	\$193.48	68	4%
	CIGNA	\$228.35	132	8%
	Empire HealthChoice	\$279.18	457	27%
	GHI HMO Select	\$211.57	51	3%
	HealthNet (Physicians Health Services)	\$250.22	16	1%
	HIP	\$214.32	204	12%
	MagnaHealth	\$245.54	7	0%
	Managed Health	\$233.61	7	0%
	Oxford	\$228.38	440	26%
United HealthCare	\$245.50	134	8%	
Kings	Aetna	\$225.00	195	13%
	AmeriChoice	\$233.60	5	0%
	Atlantis	\$193.48	59	4%
	Empire HealthChoice	\$279.18	464	30%
	GHI HMO Select	\$211.57	122	8%
	HealthNet (Physicians Health Services)	\$250.22	6	0%
	HIP	\$214.32	250	16%
	Horizon	\$214.71	3	0%
	MagnaHealth	\$245.54	12	1%
	Managed Health	\$233.61	2	0%
	Oxford	\$228.38	350	23%
United HealthCare	\$245.50	55	4%	
Westchester	Aetna	\$225.00	175	16%
	Empire HealthChoice	\$279.18	382	35%
	GHI HMO Select	\$211.57	60	5%
	HealthNet (Physicians Health Services)	\$274.64	16	1%
	HIP	\$214.32	103	9%
	MagnaHealth	\$234.00	4	0%
	Oxford	\$228.38	324	30%
United HealthCare	\$245.50	32	3%	
Monroe	Excellus (Rochester)	\$172.74	535	63%
	HealthNow	\$149.82	2	0%
	Preferred Care	\$162.48	312	37%

County	Health Plan	Individual Premium	July 2003 Enrollment	Market Share Within County
Bronx	Aetna	\$225.00	42	9.1%
	Atlantis	\$193.48	18	3.9%
	CIGNA	\$228.35	102	22.2%
	Empire HealthChoice	\$279.18	87	18.9%
	GHI HMO Select	\$211.57	21	4.6%
	HealthNet (Physicians Health Services)	\$250.22	3	0.7%
	HIP	\$214.32	72	15.7%
	Horizon	\$214.71	1	0.2%
	MagnaHealth	\$245.54	1	0.2%
	Oxford	\$228.38	98	21.3%
	United HealthCare	\$245.50	15	3.3%
Richmond	Aetna	\$225.00	64	16%
	Atlantis	\$193.48	17	4%
	Empire HealthChoice	\$279.18	146	36%
	GHI HMO Select	\$211.57	32	8%
	HealthNet (Physicians Health Services)	\$250.22	2	0%
	HIP	\$214.32	84	20%
	Horizon	\$214.71	4	1%
	MagnaHealth	\$245.54	3	1%
	Oxford	\$228.38	48	12%
	United Healthcare	\$245.50	10	2%

IV. ANALYSIS OF HMO COST EXPERIENCE

A. Evaluation Approach

Lewin/EHA obtained cost data from nine HMOs with relatively high levels of Healthy NY enrollment. Healthy NY premium revenues and medical costs were provided in the following manner:

- Figures provided for calendar year (CY) 2002 were analyzed in this section. The health plans' reported cost figures represent the medical costs incurred during CY2002, regardless of the date of payment. (Health plans provided both the known paid claims to date for services incurred in each time period, as well as their "IBNR" estimates⁴ of the additional claims payments that would be made.)
- Separate figures were provided for each enrollment category – small business, sole proprietor, and working individual – as well as for the entirety of the Healthy NY enrollment.
- Medical costs were broken into the following broad medical service categories: inpatient hospital, outpatient hospital, physician, pharmacy, and other.
- Health plans also indicated the number of enrollees (and the collective claims costs of these persons) who exceeded \$5,000 and \$30,000 in claims costs during calendar year 2002.

The health plans provided this information in response to a data request sent out in early October. In some instances the health plans were able to provide only some of the requested data (e.g., one plan did not provide the detail by enrollment category); however, most health plans provided all requested information.

Most of the claims cost analyses were produced in aggregate form, combining the data received. This aggregation was done in an attempt to smooth out the fluctuations that can occur when claims are analyzed for small numbers of covered lives. By year-end 2002 no HMO had yet reached an enrollment of 3,000. Thus, the data at the health plan level are prone to wide statistical fluctuation. In the aggregate, the nine HMOs received \$13.4 million in Healthy NY premium revenue during CY2002. Collectively, they represented approximately 70 percent of statewide Healthy NY enrollment during this time.

B. Overall Medical Cost Findings

Table IV-1 presents the aggregate medical loss ratio across the nine HMOs during CY2002. The medical loss ratio in this analysis is derived by dividing net medical expenses (after accounting for the expected value of the stop-loss payments made by the State) by premium revenue.

⁴ Incurred but not reported claims.

The aggregate medical loss ratio during CY2002 was 88.9 percent after taking into consideration the State's stop-loss obligations. This figure suggests that the Program's premiums are, on the whole, reasonably well balanced with the health plans' claims cost liability, with the plans realizing neither windfall gains nor large-scale losses. However, it is likely that some of the health plans are experiencing losses on their Healthy NY business when administrative costs are considered. The health plans contend that their per capita administrative costs for Healthy NY are extremely high (given the individual level enrollment and the eligibility determination process) versus their typical commercial business.

Table IV-1: Aggregate Medical Loss Ratio by Time Period

Time Period In Which Services Were Incurred	Unadjusted Medical Loss Ratio	Stop-Loss Adjusted Medical Loss Ratio	Total Premium Revenue Across Reporting Health Plans
Calendar Year 2002	92.5%	88.9%	\$13.4 million

C. Stop-Loss Impacts on Medical Costs

Based on the data on high-cost individuals that were reported by eight of the nine plans in our sample, we estimate that the stop-loss provision that was in effect in 2002 will result in a reduction in CY2002 plan medical costs of 3.6 percent. Under this provision, the State assumed 90 percent of the cost for any individual's claims paid during 2002 that were between \$30,000 and \$100,000.

The reduction in health plan medical costs represents the amount of State subsidization of Healthy NY costs. For services rendered during 2002, this subsidy totaled approximately \$600,000 based on the 3.6 percent State share of overall medical costs.

As of January 1, 2003, the stop-loss corridor was modified, such that the State now assumes 90 percent of the cost for any individual's claims paid during a given calendar year that total between \$5,000 and \$75,000. Had this provision been in effect in 2002, it would have resulted in a reduction in CY2002 plan medical costs of approximately 13.5 percent. This percentage share of medical costs represented by the State's stop-loss subsidy is displayed in Tables IV-2 and IV-3, based on CY2002 data on high cost individuals reported by eight large health plans.

Table IV-2: Healthy NY Enrollees Reaching \$5,000 and \$30,000 Stop-Loss Thresholds in CY2002

Category of Enrollment	Number of Persons Reaching \$5,000 Threshold	Total CY2002 Costs For These Persons	Number of Persons Reaching \$30,000 Threshold	Total CY2002 Costs For These Persons	Total CY02 Claims for 8 Reporting Plans
Employer Group	45	\$403,766	1	\$31,682	\$1,586,904
Sole Proprietor	92	\$877,732	5	\$207,873	\$3,232,120
Individual	186	\$2,015,916	12	\$749,673	\$6,381,446
Total	323	\$3,297,415	18	\$989,228	\$11,200,470

**Table IV-3: Excess Claims and Cost Reduction from Stop-Loss Provisions
(as % of Total CY02 Claims)**

Category of Enrollment	Excess Claims Above \$5,000 Threshold	Cost-Reduction from Stop-Loss	Excess Claims Above \$30,000 Threshold	Cost-Reduction from Stop-Loss (if \$30K threshold)
Employer Group	11.3%	10.2%	0.1%	0.1%
Sole Proprietor	12.9%	11.7%	1.8%	1.6%
Individual	17.0%	15.3%	6.1%	5.5%
Total	15.0%	13.5%	4.0%	3.6%

Based on the CY2002 data, the State payments for the stop-loss coverage for CY2003 high-cost cases will total approximately \$7 million, representing 13.5 percent of all medical costs.

D. Costs by Category of Enrollment

Aggregated medical loss ratios of the HMOs by category of enrollment are presented in Table IV-4. Table IV-4 indicates that the HMOs are collectively experiencing highly favorable medical cost experience within the small business category of Healthy NY enrollees, but unfavorable loss ratios for the sole proprietor and working individual categories.

Table IV-4: Aggregate Medical Loss Ratios by Enrollment Category

Category of Enrollment	Stop-Loss Adjusted Loss Ratio CY2002
Small Business	60.4%
Sole Proprietor	97.4%
Individual	103.3%

E. Distribution of Medical Loss Ratios Among Health Plans

Table IV-5 provides another means of assessing the overall medical loss ratio, showing the number of HMOs by medical loss ratio corridor. Note that the figures in Table IV-5 do not take into account the medical cost reductions the plans will realize through the Program's stop-loss provisions.

Table IV-5: Distribution of Medical Loss Ratios Among Reporting Health Plans
(Figures in this table are prior to stop-loss reconciliations.)

Medical Loss Ratio Corridor	CY 2002
<70%	2
70-79%	0
80-89%	2
90-99%	2
100-109%	1
110-119%	2
>119%	0

The variation in the loss ratios in Table IV-5 demonstrates a high level of volatility in the HMOs' medical cost experience. After two years of operation, wide swings in medical loss ratios are still occurring, in part due to enrollment at the health plan level not yet being large enough to foster stable and predictable claims cost experience.

F. Claims Costs by Type of Service

Table IV-6 focuses on the distribution of claims costs by type of medical service. Note that these figures are not adjusted to remove the claims that fall in the State stop-loss coverage corridor.

Table IV-6 calculates per member per month (PMPM) claims costs by medical services category during CY2002, dividing each HMO's Healthy NY claims costs by the number of covered months provided. These figures indicate overall PMPM claims costs of \$141 in CY 2002. The range of PMPM costs among the health plans in each time period is shown in parentheses in Table IV-6 and again demonstrates the volatility of claims costs during this early phase in the Program's operation.

The percentage distribution of claims costs by medical service category is also shown in Table IV-6. The largest single category of expense continues to be physician services (38 percent of claims costs).

Table IV-6: Distribution of CY2002 Claims Costs by Type of Service

Type of Service	Per Member Per Month Costs (range across reporting health plans)	Percentage Distribution of Medical Costs
Inpatient Hospital	\$36 (\$24-\$52)	25.5%
Outpatient Hospital	\$22 (\$11-\$37)	15.6%
Physician	\$53 (\$38-\$78)	37.6%
Pharmacy	\$17 (\$11-\$25)	12.1%
All Other	\$13 (\$0-\$21)	9.2%
Total	\$141 (\$103-\$207)	100.0%

V. SURVEY OF ENROLLEES

A. Survey Methodology and Participant Characteristics

1. Methodology

Surveys were sent to 3,000 enrollee households through the 14 health plans that had at least 500 Healthy NY enrollees as of July 1, 2003. The number of surveys sent by each health plan was proportional to its share of total Healthy NY enrollment. Each health plan sent 75 percent of its surveys to persons who enrolled prior to July 1, 2003 and 25 percent to persons who enrolled on or after July 1, 2003. A total of 855 surveys were completed and returned, for an overall response rate of 29 percent.

2. Participant Characteristics⁵

Surveys were received from enrollees in 48 counties. Erie County had the highest number of respondents (15 percent), followed by Suffolk (13 percent) and Nassau (12 percent) counties. The median duration of Healthy NY enrollment was 10 months. While the median household size was three people, two-thirds of respondents selected coverage for one person only. Just over half of respondents⁶ (54 percent) classified themselves as working individuals; 40 percent were sole proprietors and only seven percent represented a small employer.

Occupations: Respondents work in a wide variety of occupations; those most commonly cited are shown in Table V-1. This listing is in many respects a testimonial to the importance and value of the Healthy NY Program. The Program appears to be reaching a wide range of working persons in occupations that typically lack access to health care coverage.

Table V-1: Occupation of Survey Respondents

Type of Occupation	Number of Respondents	Percent of Respondents
Retail/sales	86	10%
Construction/contracting/home improvement	83	10%
Unemployed, retired or student	73	9%
Food service/restaurants	69	8%
Teaching/education	66	8%
Administrative/office work	62	7%
Health care	51	6%
Personal Care - hair, beauty, fitness	46	5%
Transportation or automotive	38	4%
Child care	21	2%
Accounting	21	2%
Artist	18	2%
Cleaning services	15	2%
Landscape	14	2%

⁵ Summarized for respondents who provided information for each characteristic.

⁶ Does not include respondents who were not sure in which program category they were enrolled.

Incomes: Fifty-eight percent of respondents had an annual household income of less than \$22,450. Most of these respondents also had a household size of two or more. An additional 23 percent of respondents earn between \$22,450 and \$31,430; many have three or more in the household. Twenty percent of respondents earned more than \$31,430 and had a median household size of four people.

Premium Contributions: Respondents pay varying amounts towards the monthly premium, which can be accounted for by the differing number of people covered. The median premium payment was \$169.50, although several respondents indicated a monthly payment upwards of \$600. Virtually every respondent who paid \$219.30 or more for their monthly premium had coverage for two or more people and most were working individuals or sole proprietors.

While most enrollees experienced a premium decrease in July 2003, only 59 percent of respondents indicated that their premium contribution decreased recently. Among those reporting a premium decrease, the median amount of the reduction was approximately \$22.00. Using the value of their current monthly premium, the median percent decrease was 15 percent, which coincides well with the 17 percent decrease that in fact occurred across most health plans. Among those indicating that their premium contribution did not decrease recently, many were enrolled in a health plan that did not decrease rates, such as Vytra.

Enrollee Satisfaction

As has been demonstrated throughout each of the two previous annual Reports, Program satisfaction is very strong. Overall, 89 percent of survey respondents are “satisfied” or “highly satisfied” with the Program. Only a small number of respondents (2 percent) were “highly dissatisfied.” When asked to indicate what aspect of the Program they were most satisfied with, 70 percent of respondents cited “cost.” This is consistent with the large number of respondents (52 percent) indicating that Healthy NY “was the least expensive option that [they] had for health insurance.”

Interestingly, cost was also a major cause of dissatisfaction with the Program. Many complained that co-pays, deductibles, and prescription costs were too high; 58 percent of these respondents were in the lowest income category, earning less than \$22,450 annually. However, the vast majority of respondents in this income category expressed satisfaction with the cost of the Program. Approximately 30 percent of those respondents who expressed dissatisfaction said they were most dissatisfied with the Program’s benefits. Common complaints included lack of dental and vision coverage and limitations on prescription drug coverage.

There seems to be a relationship between satisfaction and length of enrollment. Overall, highly satisfied members had been enrolled the longest, with a median 10 month enrollment. Those that were highly dissatisfied had only been enrolled a median of five months. Overall satisfaction continues to be very high, irrespective of length of enrollment. Of respondents who enrolled in or after July 2003, 85 percent were satisfied or highly satisfied with the Program.

B. Attractiveness of the New Non-Rx Option

Nearly half of all working individual and sole proprietor respondents indicated that they “definitely will not take the lower-cost option” without prescription drug coverage when it comes time to renew their coverage. Many additional respondents said they “probably will not take the lower-cost option,” for a total of 64 percent that were unlikely to opt for a plan without prescription drug coverage, despite savings in premium costs. Only 15 percent said they would probably or definitely opt for the non-prescription drug option.

Income did not seem to be a factor in whether enrollees were likely to opt out of prescription drug coverage. Regardless of income level, 50-60 percent of respondents indicated they were unlikely to select the non-Rx benefits option at their next renewal date.⁷ Results were similar for respondents in the two program categories as well; 57 percent of sole proprietors and 61 percent of working individuals were unlikely to opt out of drug coverage.

C. Advertising

The survey shows that advertising was a major source of awareness of Healthy NY. As seen in Table V-2, approximately half of survey respondents cited advertising as an answer to the question, “How did you become aware of Healthy NY?” in each year of enrollment. From surveys of new enrollees over the last three years, more than half of respondents in 2001 and 2002 credited their awareness of Healthy NY to advertising. Perhaps most striking is that among persons enrolling during 2003, 48 percent of respondents became aware of Healthy NY through advertising, even though no advertising had yet occurred during 2003. This suggests that the previous campaigns not only produced an immediate impact, but also had a longer-term effect on enrollment. Presumably, those respondents who enrolled during the first nine months of 2003 and found out about the Program through advertising remembered the Program through an advertisement placed during 2001 or early 2002. The previous advertising campaigns appear to have been effective in creating such a solid awareness among State residents that many persons who did not initially enroll in Healthy NY joined at a much later date, when it may have become a more viable option after their coverage needs or personal circumstances changed.

Results from the enrollee survey also indicate a strong awareness of Healthy NY through means other than advertising, insurance brokers, or employers. “Other” received the most responses as the means from which new enrollees were familiar with the Program, with most of those responses attributing their knowledge of Healthy NY to word-of-mouth. Such informal awareness of the Program has increased since its inception, with 47 percent of respondents enrolling during 2003 crediting their knowledge of the Program to a source other than advertising, brokers, and employers (up from 38 percent among 2001 enrollees). In addition, the absence of advertising during the first nine months of 2003 makes it more likely that this year’s enrollees will have learned of the Program through means other than advertising.

⁷ Percentage was lower for respondents with income above \$40,410; however, there were few respondents in this category and a higher percentage of non-response for this question.

Table V-2: Distribution of Responses to Enrollee Survey Question, “How did you become aware of Healthy NY?”

Enrollment Year	Advertising	Broker	Employer	Other
2001	54%	0%	8%	38%
2002	60%	1%	4%	34%
2003	48%	2%	4%	47%

D. Enrollee Comments

The last survey question asked respondents to make any additional comments on the Program. Many respondents expressed gratitude for having the Program and indicated that they have been very happy with the Plan overall. Some examples of these comments include the following:

- “Thank you so much. If not for this plan health insurance would not be possible for me. Thank you, thank you, thank you.”
- “Healthy NY is a God send!”
- “I’m glad I could find coverage without having to go on welfare.”
- “Thank you Governor Pataki for making health care affordable for low incomes.”
- “It’s a wonderful program. I don’t know what I would do without it. A necessity in today’s job market.”

Other comments support the findings of the survey – enrollees are happy overall but would like to have other types of benefits covered, less expensive prescription drug coverage, and lower premiums and co-pays. Several respondents also mentioned referrals and income level eligibility as points of dissatisfaction. Some examples of these types of comments include the following:

- “I would like to have vision and dental care too.”
- “I feel HNY does not cover important health issues, such as [mental health] medications...”
- “I find it very unsatisfactory to pay lower premiums only to find out you have to pay high deductibles for prescriptions.”
- “It should still be cheaper, \$180 is a lot for someone making under \$22,000 and living in NYC.”
- “It would be great if the income level was higher for acceptance into the program.”
- “I don’t like having to get a referral for every doctor you have to see.”
- “I would like a cafeteria style option of additional benefits at additional cost.”

Overall, enrollee responses and comments indicate that the Program is having a positive impact. Enrollees are generally grateful to have coverage and are quite satisfied with the program. While many enrollees still feel that cost is a major issue, benefits are also important. Survey results show that enrollees are mostly unwilling to sacrifice any benefits for the sake of lower costs; some would even prefer the option to pay more and get more coverage.

VI. INPUT FROM PARTICIPATING EMPLOYERS

A. Overview

Small employers are the primary target for the Healthy NY Program. The high cost of health insurance coverage has precluded many small employers from providing health insurance coverage to their employees and a significant portion of New York State's uninsured population is made up of individuals employed in small businesses.

Currently, small employers constitute approximately 21 percent of Program enrollment, a percentage that has been slowly increasing since Program inception. Three of the health plans with the most significant enrollment in Healthy NY have employer enrollment exceeding 28 percent of Program enrollment and employers constitute 36 percent of enrollment for one health plan. At the other extreme, one plan with more than 4,000 Program enrollees has less than eight percent of its enrollment through employers.

According to data from the U.S. Census Bureau, the portion of all workers age 18 to 64 covered by their own employer-based health insurance declined between 2001 and 2002 from 56.3 percent to 55.2 percent. For employers with fewer than 25 employees the 2002 percentage was only 30.8 percent while for employers with more than 500 employees the percentage was 69 percent.

B. Research Design and Implementation

Last year, employer focus groups were conducted to obtain insight into the employers perspective of the Program. The discussions revealed information about the Program and its impact that had not been obtained through any other method. However, the use of focus groups limited the number of employers that could participate to those located in specific geographic areas that were willing to spend time to provide input.

To enable input from a broader group of employers, a written survey was developed that addressed a comprehensive range of issues including reasons for joining the Program, satisfaction, administrative processes and desired changes. Health plans provided employer contact information and 2,000 surveys were sent out. Nearly 400 employers (a 20 percent response rate) responded to the request with a large percentage adding notes to explain or elaborate upon responses. The survey was conducted in November 2003 and included responses from 45 counties.

To obtain more detailed responses and offer an opportunity for employers to share more information, approximately 30 telephone interviews were conducted with employers that indicated on the written survey that they would be willing to speak about Healthy NY.

C. Survey Findings

Profile of Participating Employers

Employers participating in the survey average four employees, with three working full-time and one part-time. Eighty-six percent of full-time employees are eligible for Healthy NY and 42 percent of part-time employees are eligible. Nearly half of the respondents have been enrolled for less than six months and only 15 percent have been enrolled for more than one year. Experience with the Program should not impact employer responses to the survey as much of the survey is related to access to health insurance, benefit design, Program awareness, enrollment, and participation.

The employers responding to the survey represented a wide variety of businesses; the list below represents a sample of the types of employers choosing Healthy NY:

Antique Sales	Law Firm
Auto Body Repair	Manufacturing
Bakery	Medical Office
Barber Shop	Mortgage Broker
Beauty Salon	Music Publishing
Car Wash	Painting Contractor
Child Care / Day Care	Pet Grooming
Chiropractor	Physical Therapy
Church	Plumbing
Construction	Property Management
Dairy Farm	Real Estate
Dry Cleaner	Restaurant
Excavating	Retail (misc.)
Film Production	Security Systems
Graphic Design	Stone Masonry
Horse Farm	Tavern
Insurance	Travel Agency
Jeweler	Welding
Landscaping	Wine Importing

Employer Contribution and Employee Participation

Two-thirds of employers pay 100 percent of the individual employee premium while the majority of the remainder contribute only the minimum required 50 percent of the premium. Twenty-six percent of employers make contributions to premiums for dependents with 19 percent of respondents covering the full cost of those premiums. Seventy-nine percent of full-time employees eligible for Healthy NY enrolled in the Program while 46 percent of eligible part-time employees enrolled. The predominant reason that eligible employees do not enroll in the Program is that they have health insurance through another source.

Only 16 percent of respondents (58) have had any employees disenroll from Healthy NY with approximately 30 percent of those obtaining health insurance through another source, 22

percent of those terminated employment, and 16 percent could no longer afford the employee share of the premium.

Accessing Healthy NY

Most employers became aware of Healthy NY through television or radio advertising. In follow-up telephone interviews, employers were asked how awareness of the Program might be improved among other small employers, and the majority responded that television and radio advertising would be the most effective methods.

To obtain initial information about the Program, 45 percent of employers accessed the Healthy NY website while 33 percent called the toll-free number. A small percentage contacted health plans directly. Ultimately, 75 percent of the employers contacted the toll-free number for information although it may not have been the first place they went.

Although eligibility and enrollment for Healthy NY require more effort for an employer than signing up for a commercial product, the processes are not viewed as being overly cumbersome for employers. Approximately two-thirds of employers found determining eligibility to be easy or very easy, while just more than one-half found enrollment easy or very easy. More than three-quarters of employers found that recertification was easy or very easy – an indicator that once enrolled, most employers can stay enrolled and insured.

Insuring the Uninsured

Of the employers surveyed, 83 percent had never offered health insurance to employees in the past. Of the 17 percent that had previously offered health insurance, 50 percent ceased coverage because it became too expensive and approximately one-fourth had been enrolled in NYSHIP, a program that was discontinued in mid-2003.

When asked what was most important when choosing to enroll in Healthy NY, more than 57 percent of employers cited the desire to provide employees coverage in the event of an unforeseen medical catastrophe. The second most frequently cited reason (33 percent ranked it most important) was to provide employees with coverage for physician office visits and minor medical services. Only 12 percent enrolled because they expected to experience substantial medical costs in the near future.⁸

Choosing Healthy NY

More than three-quarters of employers considered other health insurance options before enrolling in the Program. In the end, the employers chose Healthy NY primarily for price, stating that its premiums were on average 27 percent less than alternative health insurance products. With the reductions in premium that took effect in July and increasing premiums of other health insurance offerings, small employers are now likely to find an even greater difference between Healthy NY premiums and alternatives. It should be noted that although the premium is lower for Healthy NY, employers are required to contribute at least 50 percent

⁸ Some respondents cited more than one “most important” reason, so percentages total more than 100 percent.

of the premium for participating individual employees; with other health insurance products the employer has no such obligation.

Prescription Drug Benefit

Both health plans and employers continue to seek ways to minimize the monthly premium expense and both indicated that providing an option to exclude pharmacy would be desirable. In July 2003, the option became available at a premium price approximately 12 percent less than the standard Healthy NY product.

Of the survey respondents that currently have prescription drug coverage, 80 percent plan to maintain the benefit, four percent plan to drop coverage, and 16 percent are unsure. The employers' stated intentions are similar to initial observations of enrollment data that show just over 10 percent of recent enrollees choosing Healthy NY without a prescription drug benefit.

Thirty respondents offered comments about the prescription drug benefit when asked what aspects of Healthy NY they would like to see changed. Of these:

- 15 would like more/better coverage
- 8 would like a lower or no deductible
- 5 would like coverage for psychotropic drugs
- 5 would like a lower co-pay

Satisfaction with Healthy NY

Employers continue to express thanks and overall satisfaction with Healthy NY. When asked whether Healthy NY has met their expectations, 87 percent indicated that it has. This extremely high level of satisfaction is reflected in employers' intent to stay with the Program as long as it is offered (74 percent) and in the following comments that are representative of those written in about the program:

"It's a wonderful program to help small businesses."

"We've been very happy with the program."

"Great service! We are pleased now that we are enrolled. Super for small business!"

"It's fantastic!"

"I ♥ NY!"

"I finally can afford health insurance. Thanks, keep up the good work New York."

"We are very happy that this health insurance is available to our employees."

"Healthy NY is critical to all of us - we would not have health care without it."

For those who indicated otherwise, several were formerly enrolled in NYSHIP and were disappointed that the benefit package is not as comprehensive. Most others expressed a desire to have more extensive benefits and a few had issues specific to their health plan.

Recommended Changes

Employers welcomed the opportunity to provide input on changes to improve Healthy NY as more than 200 respondents took the time to fill in a response on the open-ended question, “What aspects of Healthy NY would you like to see changed, if any?”

- Forty employers (19 percent) indicated an interest in having dental coverage.
- Thirty employers (15 percent) suggested improved pharmacy coverage, including lower deductible, lower co-pay, and inclusion of mental health drugs.
- Twenty-eight (14 percent) indicated that the program is terrific and no changes are needed.
- Eighteen (9 percent) would like to see eligibility requirements further loosened.
- Eighteen (9 percent) would like a vision benefit.
- Other suggested improvements to Healthy NY include mental health coverage, physical therapy coverage, decreased deductibles and co-pays, better provider network, chiropractic coverage, and removal of the pre-existing condition exclusion.

VII. INPUT FROM PARTICIPATING HEALTH PLANS

A. Overview

During 2003, all 24 HMOs operating in New York offered the Healthy NY product, as required by statute. As of November 2003, six plans had more than 3,000 enrollees while another five enrolled more than 1,000 persons. In contrast, five plans had fewer than 100 enrollees. As was the case in 2002, the health plans have committed limited effort to advertising and promoting the Program. There was a general consensus among plan officials that New York State's advertising campaign is a critical factor in sustaining Program growth. While Healthy NY enrollment continued to grow during the January to September 2003 period when the State ceased its advertising, inquiries and enrollment rose when advertisements were reinstated in October.

Health plans again cooperated in 2003 with Lewin/EHA in this study. Their assistance was essential to the successful completion of the written enrollee and enrolled employer surveys discussed in Chapter V and VI. In addition, plans provided requested data on disenrollment, enrollment by subscriber type, and medical cost data. Finally, representatives of 17 health plans participated in interviews either in person or by phone.

B. Survey Design and Implementation

Seventeen health plans, representing 96 percent of program enrollment, were included in the 2003 Healthy NY survey process. Interviews were conducted both in-person (11) and by telephone (six). The New York Health Plan Association (NYHPA) facilitated the scheduling of interviews by informing health plans of this year's study and requesting plan support in its conduct. In general, the plans with the highest enrollment had face-to-face interviews.

Both types of interviews had the same content and focused on the plans' Program experience in 2003, with a particular focus on the significant changes implemented in July. Topics discussed included rate of enrollment growth, changes in the level of price separation between Healthy NY and other similar health insurance products, key factors influencing new enrollment, and the impact of the Healthy NY advertising campaign. A particular focus of the interviews was the impact of the 2003 Healthy NY Program modifications (recertification, well-child co-payment, prescription drugs, eligibility requirements and stop-loss). The health plans were also offered the opportunity to suggest further Program changes and comment on the Program in general.

C. Findings From Health Plan Interviews

Program Status

The substantial enrollment growth of Healthy NY in 2003 was not evenly distributed throughout the year for many health plans. Several plans indicated spikes in enrollment following rate decreases in July 2003, and two plans attributed increased enrollment to the end of the New York State Health Insurance Partnership Program (NYSHIP) at that time. When questioned regarding the growth of Healthy NY relative to that of other small group and

individual products, most indicated that Healthy NY enrollment increases were much higher than those experienced by the other products. Several plans indicated that enrollment in individual products had either decreased or been relatively stable during the year.

When questioned regarding change in the level of price separation between Healthy NY and other similar small group and individual products this year, most plans indicated that it had increased significantly. This was due to the 17 percent decrease in Healthy NY rates experienced by most plans in July 2003 combined with rate increases for other products (10-15 percent) implemented for calendar 2003. Two plans who quantified the differences indicated that Healthy NY premiums are now as much as 40 percent lower than those for comparable products. Plans generally indicated a belief that some individuals who enrolled in 2003 would previously have found the Program unaffordable.

When questioned regarding the key factors influencing new Program enrollment in 2003, lower rates/price/affordability was mentioned by more than one-half of the plans. Easier eligibility requirements were identified by six plans, while two plans mentioned the introduction of a non-prescription benefit package.

While most health plans have undertaken limited efforts to promote and market Healthy NY, a few plans identified new activities to support the Healthy NY product. One health plan mentioned the initiation of a comprehensive ad plan targeted to a rural area that is designed to promote all of its products including Healthy NY. Two plans stated that they have made greater efforts to work with insurance brokers, while another plan initiated collaborative efforts with facilitated enrollers to increase Healthy NY referrals. A plan also indicated that it had begun a Healthy NY sales campaign targeting an ethnic group in a section of New York City.

In general, plans seem to be more fully integrating the Healthy NY product into their mix of product offerings available to consumers. However, despite statements that Healthy NY is a part of the product line for small businesses, only five of the 24 health plans mention it as a product available to employers on their websites. Some health plans compare their products on-line but do not include Healthy NY in the comparison. One plan describes Healthy NY as a product for individuals but does not include it as an option for employers. For small businesses seeking information about health insurance on health plan websites, Healthy NY is all but invisible on most websites.

Health plans were questioned regarding the impact of the cessation of the State's Healthy NY advertising campaign from January to September and its renewal in October. A number of plans indicated that inquiries regarding the Program had dropped during the cessation of advertising, while others experienced no impact. Most plans indicated that inquiries and enrollment increased after the advertising began in October, although a couple plans felt the increases could be due at least in part to the open enrollment season in the final quarter of the year. The State's advertising campaign was supported by all the health plans interviewed, and a number felt it was critical to the Program's success.

Impact of 2003 Changes

In order to assess the impact of the 2003 programmatic changes to Healthy NY, Lewin/EHA questioned health plan representatives about their experience to date operating under these changes.

- **Eligibility Changes.** Plans generally indicated that the recent eligibility changes had a positive impact. Most plans stated that the new definition of “employed person” had simplified Program administration. Several indicated that this change had led to increased enrollment in the Program. The new provision allowing an individual to meet the Healthy NY eligibility requirement for employment by demonstrating his or her spouse is an employed person has led to increased Program enrollment according to most plans. One plan indicated that 25 percent of its new individual enrollees were qualifying through a spouse. The change that small employer applicants can qualify for Healthy NY if they previously provided health insurance coverage but did not contribute more than an average of \$50 per employee per month reportedly has had minimal impact to date.
- **Prescription Drugs.** The requirement that health plans offer a Healthy NY option without prescription drug coverage was generally applauded by health plan representatives. The impact of the introduction of a non-prescription option on enrollment has been limited to date with plans generally reporting less than seven percent of enrollees choosing this option. Several plans attributed this low percentage to a lack of awareness and indicated an expectation that it will rise considerably in the future. It was generally the opinion of plan representatives that small groups would be the least likely to select the non-prescription option.
- **Recertification.** Health plan representatives generally indicated that the 2003 Program changes have facilitated the recertification process for both health plans and Healthy NY enrollees. Despite this fact, there is still a significant number of Program enrollees who do not complete the recertification process (10 percent to 15 percent among individuals generally). Only a small percentage of people completing the recertification process were found ineligible for continued enrollment in Healthy NY (generally one to five percent).
- **Well-Child Co-payment.** Health plan representatives reported little impact resulting from the elimination of the co-payment for well-child visits. They did indicate that the change was beneficial for providers and made Healthy NY consistent with other insurance products they offer.
- **Stop-Loss.** The major impact of the change in the stop-loss corridor according to plan representatives was the almost universal reduction in premium of 17 percent. Most plans indicated that while few if any cases reached the previous stop-loss threshold of \$30,000, substantial numbers have already hit the new \$5,000 level in 2003. One plan that decreased rates 17 percent in July to reflect the change, decreased rates an additional 17 percent in December after more experience and analysis suggested greater than expected financial benefit. A couple of plans expressed concern about whether

there would be sufficient funds available from the State to fully pay their stop-loss claims. Plans were nearly split on whether they reinsure their Healthy NY product.

Health Plan Recommendations

Health plan representatives expressed appreciation for the changes the Insurance Department made to the Healthy NY Program in 2003. Many of these changes had been recommended by health plan representatives last year and were included in the Lewin/EHA 2002 Report on the Healthy NY Program. In view of this fact, there were far fewer plan recommendations for change in the Program this year. The following modifications were suggested:

- **12 Month Crowd-Out.** Again this year, many health plans view the 12-month crowd-out provision through which employees cannot select Healthy NY coverage unless they have not provided health coverage during the past year as a significant barrier to Program eligibility. Suggestions for modification of this provision included instituting a six month period in place of the current 12 month period.
- **Benefit Package.** Suggestions for benefit package changes focused on the provision of options to Program enrollees that could further lower premiums. These included higher deductibles, higher physician co-payments (e.g. \$30-\$40), and a less generous drug benefit.
- **Administration.** Health plans indicated a desire for the Insurance Department to avoid making mid-year Program changes in the future and not make any future changes retroactive. They also requested that reasonable notice be provided of any changes so that administrative activities could be completed on a timely basis.
- **Advertising.** Health plans view the State advertising campaign for Healthy NY as a key to its continued success and would like to see ads on an ongoing basis. A suggestion was made that some funds be dedicated to targeted ads in certain regions of the State.

VIII. SUMMARY OF KEY FINDINGS

This summary section presents the key findings from all three annual studies of the Healthy NY program. The findings are grouped into categories that correspond to the task areas in Lewin/EHA's evaluation efforts. Note that the design of Healthy NY is highly conducive to evaluation, as Healthy NY holds certain conditions constant that are normally variable in the commercial health insurance market. All HMOs are required to participate and to offer the exact same benefit package; health plans can vary their premiums only by county and tier structure (e.g., individual, two adult, etc.); and all premiums are posted on the Healthy NY website, making the cost of all products in each market visible to both competitors and consumers.

Enrollment Levels

Across the Program's first three years, nearly 60,000 individuals have received coverage through Healthy NY. Enrollment has grown sharply throughout these three years. Year-end enrollment levels have been approximately 4,000 in 2001, 18,000 in 2002, and 40,000 in 2003.

There is no sign that enrollment is leveling off and thus no way to accurately predict where Healthy NY is headed in terms of its ultimate "steady state" enrollment level. Given the recent design changes and enrollment trends during the second half of 2003, it seems likely that Program enrollment will continue to grow sharply during 2004.

Enrollment Mix

While Program enrollment has grown tenfold between December 2001 and December 2003, the mix of enrollment has remained remarkably constant in most respects. Key findings regarding the demographic composition of the enrollees are summarized below.

- Geographically, enrollment has continually been disproportionately high on Long Island and in many upstate regions (particularly Albany and Erie counties). While 42 percent of the total state population resides in New York City, only 20 percent of Program enrollees as of year-end 2003 are NYC residents. Factors inhibiting enrollment in NYC include the higher cost of living in the downstate region (i.e., residents below the Healthy NY income eligibility threshold have less purchasing power than upstate residents with similar incomes), the fact that Program premiums are considerably more (approximately 18 percent in 2003) in NYC than in the rest of the State, and the existence of an array of other coverage initiatives for small businesses and individuals in the downstate region.
- The five health plans with the largest enrollment as of December 2001 (Empire HealthChoice, MVP Health Plan, HealthNow, Vytra, and CDPHP) remain the five largest plans as of December 2003. These five plans collectively had 70 percent of statewide Program enrollment as of year-end 2001, and 56 percent of overall enrollment as of year-end 2003.
- The distribution between the three major categories of enrollment – small business, sole proprietor, and working individual – has continually been slanted towards the working

individual subgroup. As of year-end 2003, the enrollment distribution is 58 percent working individual, 21 percent sole proprietor, and 21 percent small employer.

- The majority of Healthy NY subscribers select individual coverage (61 percent according to October 2003 data) although most reside in multi-person households. Enrollee survey results from 2003 indicate that 20 percent reside in single person households, 20 percent in two-person households, and 60 percent in households with three or more persons. The average contract size (enrollees divided by subscribers) has been near 1.45 throughout the Program's history, whereas in commercial health insurance the typical figure is above 2.0.
- Only one quarter of subscribers purchase coverage for children. One possible explanation for the limited dependent coverage purchased is that children in many Healthy NY families are eligible for Child Health Plus which is low or no cost.
- Enrollees are distributed across a wide variety of occupations in which health coverage is typically deemed difficult to access, such as retail/sales, construction, and food service. (See page 38 for a summary listing of the most frequently cited occupations based on a recent enrollee survey and page 44 for a sample of employers based on the 2003 employer surveys).
- While it is too early to discern how many persons will opt for the lower-cost benefits package that excludes pharmacy coverage, the preliminary indications are that most enrollees will retain pharmacy coverage and pay the higher premiums. Among persons who have joined Healthy NY since the non-Rx option became available, 82 percent have opted for pharmacy coverage.

Relationship Between Premium Levels And Enrollment

Since Healthy NY's target population is primarily comprised of low-income working families who must pay all or a large portion of the monthly premiums, the affordability of Healthy NY was assessed extensively as well as the dynamics between premiums and enrollment. Key findings are summarized below.

- Despite considerable effort to make Healthy NY as affordable as possible, premium cost seems to be a significant hindrance to enrolling more members and a burden for existing enrollees. In a 2002 survey of New York residents who requested Healthy NY information but did not enroll, premium affordability was the most frequently cited reason they did not join. Studies have shown that low income individuals are significantly less likely to purchase health insurance if their contribution would be greater than 5 percent of their income. With the income eligibility limit in 2003 for a one-person household at \$22,575, the average monthly Healthy NY premium for individual coverage of \$202 significantly exceeds the 5 percent threshold, making it a considerable barrier to enrollment for those who qualify. A previous enrollee survey indicated that a significant majority of Healthy NY members of different household sizes reported total family incomes of under \$22,500, indicating that the monthly premium is a major expense for existing enrollees.

- Over the last three years, premiums for Healthy NY plans have remained fairly constant, resulting in widening price separation between Healthy NY premiums and other individual and small group products offered in the commercial marketplace. Table VIII-1 illustrates the changes in premium cost since the beginning of the program for the individual premium level, the rate tier in which 61 percent of Healthy NY participants are enrolled. Virtually all plans in 2002 held their premiums at the 2001 level and most plans again maintained the same rates at the beginning of 2003. A few plans increased their premiums, usually between 10 percent and 25 percent. In light of the change in stop-loss coverage with the State subsidy increasing considerably, most health plans reduced their rates approximately 17 percent as of July 2003. In comparison, health insurance premiums in the broader employer-sponsored market have increased by 11-14 percent per year since 2001.⁹

Table VIII-1: Change in Average Premiums For Individual Coverage, 2001 to 2003

	2001	2002	January 2003 to July 2003	July 2003 (with Rx) to present
Average Premium Paid	\$194.68	\$193.34	\$204.11	\$169.15

- Enrollment is skewed towards health plans offering relatively low-priced products, as is evident both in the regional distribution of enrollment (enrollment is disproportionately high in counties with relatively low premiums) and the distribution of enrollment within counties among the various health plans. As of July 2003, 33 percent of enrollees were in the lowest-priced health plan available; 68 percent of Healthy NY enrollees selected a health plan that was among the three lowest-priced plans in their county.
- It is important to note that price is by no means the sole factor driving enrollee selection of a health plan. Two-thirds of the Program's enrollees have selected a health plan that is *not* the lowest-priced option available and 32 percent of enrollees have joined a health plan that is not even among the three lowest-priced health plans. Additionally, 41 percent of enrollees have joined a health plan whose premium is more than \$20 per month above the lowest-priced option. Persons choosing higher-priced options were most commonly joining a health plan licensed to use the Blue Cross/Blue Shield trade name.

⁹ Kaiser Family Foundation, Employer Health Benefits 2003 Annual Survey.

Incomes and Assets of Enrollees

By design, Healthy NY is targeted to low income working individuals. Therefore, most enrollees fall into income levels that make it difficult to afford the monthly Healthy NY premium costs. According to the 2003 enrollee survey, 58 percent have annual household incomes under \$22,450; 23 percent have incomes between \$22,540 and \$31,430; and 20 percent of respondents earned more than \$31,430.

Potential enrollees also tend to lack considerable assets to draw upon to pay premiums. An analysis of Survey of Income Participation Programs data simulated the resources of the Healthy NY target population and indicated that 71 percent possess less than \$1,000 in savings. The Program's target population predominantly appears to be living from "paycheck to paycheck."

Disenrollment

Over the last two years, Healthy NY experienced an average disenrollment rate of approximately four percent per month with the percentage slightly higher in 2003 than in 2002. This disenrollment rate has been offset by the rate of new enrollment with net enrollment (which subtracts disenrollees) increasing an average of seven percent per month.

An important finding from the 2002 report was that most disenrollees were satisfied with Healthy NY while enrolled and that disenrollment was usually due to a reason other than dissatisfaction, most often because participants found another coverage vehicle, such as through employment or Family Health Plus. The main area of dissatisfaction was cost, as many persons found the Program's premiums to be an unaffordable ongoing monthly expense.

Health plans lack sufficient population size or data to accurately assess disenrollment trends. Discussions with health plans regarding disenrollment indicated that they believe that most enrollees join the Program as a relatively permanent form of health insurance coverage. For those enrolling as individuals, some small portion is perceived to obtain employment that offers health insurance and disenroll. Often, the health plans have no indication of why enrollment has ceased as many contracts are terminated simply due to lack of payment for premiums.

Enrollee and Employer Satisfaction

Throughout Healthy NY's tenure, enrollees have expressed high levels of satisfaction with the Program. The 2003 enrollee survey indicated that 89 percent were "satisfied" or "highly satisfied" with their experience with Healthy NY, with only two percent identified as "highly unsatisfied." In a 2001 survey of 340 sole proprietors and working individuals, 152 responded to an open-ended question¹⁰ by expressing gratitude or support for the Program, compared to eight who responded with negative remarks. Surveys of enrollees and former participants who recently disenrolled indicate that an overwhelming majority have been satisfied with Healthy NY.

¹⁰ The phrasing of this question was "Please feel free to provide any other comments about Healthy NY in the space below (e.g. features that you have liked and/or aspects that would like to see changed)."

Similar to enrollees, employers have also indicated satisfaction with their experience with Healthy NY. In surveys and focus groups conducted over the last three years, employer satisfaction has been high, with 87 percent in the most recent survey responding that the Program has met their expectations. Employers seem quite appreciative of the availability of Healthy NY as an affordable way to offer health insurance coverage to their employees. In last year's focus groups as well as in this year's written and telephone surveys, employers indicated that the principal reason for enrollment was to provide employees with coverage for catastrophic events and that providing Healthy NY is significant in employee retention.

Health Plan Staff Perspectives

Lewin/EHA has conducted interviews each year with the health plans that collectively represent more than 90 percent of Program enrollment. The health plans' perspective has been valuable due to their role in the implementation, understanding of the market, and promotion of the Program among their products.

Over the three year period, health plans have, in large part, integrated Healthy NY into their product lines and have adjusted to the administrative processes associated with the Program. While in the first year health plans had many and varied suggestions for Program improvement, suggestions have since dwindled as the Insurance Department has responded with modifications to eligibility and operational parameters easing inadvertent obstacles and challenges present at Program inception.

Initial concerns about potentially high medical loss ratios have not been realized and some plans indicate that Healthy NY fills a niche between public programs and other available products. One plan, after additional experience and analysis of the modified stop-loss arrangement, decreased rates an additional 17 percent in December to reflect its revised financial expectations.

Prior to 2003, plans viewed premium price as the most significant barrier to enrollment. In this year's interviews, HMO representatives noted that the efforts to hold or decrease premiums have successfully created additional price separation between Healthy NY and other products. Relatively low rates and the decrease in rates in July are considered to be important to the Program's growth. Plans have also indicated that changes in eligibility criteria and recertification requirements have helped increase enrollment.

From the health plan perspective, Healthy NY is entering 2004 as a relatively mature product that has been improved sufficiently to function reasonably well.

Advertising and Publicity

The Insurance Department has conducted an extensive range of activities to foster awareness of the Program and to promote enrollment among the eligible population. These activities are summarized below.

- Extensive television, radio, and other advertising has been conducted which has clearly been beneficial in spurring awareness about and enrollment in Healthy NY. Of the 2003 enrollee survey respondents, 54 percent indicated that they learned of the Program through some form of public advertising. An interesting finding was that even in the first half of 2003, when State budget constraints completely curtailed Healthy NY advertising, enrollment continued to grow steadily and 48 percent of the survey respondents enrolling during this period cited advertising as the mechanism by which they became aware of Healthy NY. Thus, the advertisements appear to have had both short-term and long-term effects in fostering awareness and enrollment.
- Healthy NY maintains a website (www.healthyny.com) that contains extensive information about the Program, including eligibility criteria, premiums, health plan contact information, and a standardized application form. During the latter part of 2003, this website has experienced as many as 35,000 “hits” per month when advertising was occurring and after the Program design changes improving the affordability took effect. In early 2003, when no advertising took place and the Program design changes had not yet occurred, website “hits” averaged approximately 15,000 per month.
- The Insurance Department has contracted for a toll-free phone line (1-866-HEALTHY NY or 1-866-432-5849) to provide more detailed information to interested parties. Call volume to this phone line has averaged approximately 8,000 monthly throughout 2003. Similar to the website, the phone line volume dropped off when advertising was curtailed, and has increased substantially during late 2003 with the recent Program design changes and the reinstatement of advertising. Those calling the phone line typically receive free information packets about the Program. A 2002 survey of these packet recipients indicated that 16 percent actually joined the Program. Among those not joining, the most commonly cited reasons were that the premiums were too expensive (48 percent) and that they did not meet the Program’s eligibility requirements (35 percent). Among those who did not find the Program affordable, 75 percent indicated the highest monthly premium they were willing/able to pay was \$125 or less.
- Insurance Department staff have continually conducted informal outreach initiatives to help raise community-based organizations’ awareness of the Program. A recent example is that Insurance Department staff conducted meetings with Medicaid, Child Health Plus, and Family Health Plus eligibility workers in several counties to help make them aware of the existence of Healthy NY. Those applying, but not qualifying for, these public coverage programs may often be eligible for Healthy NY. This type of educational outreach seems to be a promising approach to help these persons obtain needed health coverage.

Health Plan Financial Performance

Through calendar year 2002, Healthy NY premiums and costs have been reasonably well-matched. In the aggregate, the medical loss ratio (stop-loss adjusted claims costs divided by premium revenue) was 89 percent in calendar year 2002.

On a per enrollee per month basis, Program-wide medical costs averaged \$141 in CY2002.

Other findings regarding the Program's claims costs are summarized below:

- Physician services represented the largest portion of claims costs (38 percent), followed by inpatient hospital services (26 percent), outpatient hospital (16 percent) and pharmacy (12 percent).
- Beginning in calendar year 2003, the State's subsidization of Program medical costs is estimated to represent 13.5 percent of total claims expenses, based on the observed 2002 experience and the new stop-loss corridor that starts at \$5,000 in individual claims expenses. This percentage may increase in future years, as enrollment growth in the Program stabilizes. Because of the Program's rapid enrollment growth trajectory, the average Healthy NY enrollee is enrolled in the Program for only 6 months of a given calendar year. This has the effect of lowering the percentage value of the State stop-loss coverage, since partial-year enrollees have less opportunity to reach the threshold.
- Claims costs have been relatively low in the small employer enrollment category and relatively high in the working individual and sole proprietor categories. Medical loss ratios for the small employer category were in the vicinity of 60 percent during 2002.
- At the health plan level, Program enrollment is not yet large enough to provide predictable, stable claims costs. Thus, some health plans experienced highly favorable stop-loss adjusted loss ratios (e.g., below 70 percent), while a few plans' medical costs consumed more than 100 percent of their premium revenue.
- If enrollment growth continues its upward trend, Healthy NY premium payments will exceed \$100 million during calendar year 2004.

Summary Conclusion

In its first three years of operation, Healthy NY has established a strong and important foothold in making coverage available to low-income working persons – a market segment where health insurance is traditionally extremely difficult to access. Approximately 40,000 persons are currently enrolled in the Program with enrollment growing steadily since its inception.

The input of the enrollees has been overwhelmingly positive – 89 percent of enrollee survey respondents indicated that they are “highly satisfied” or “satisfied” with the Program and 87 percent of employer survey respondents indicated that Healthy NY has met their expectations.

Premium affordability is a vexing challenge, as the Program's target population by definition has few resources available to pay monthly premiums. The Insurance Department has taken several steps to make the program affordable for as many persons as possible, including a limited benefits package, State subsidization of a stop-loss corridor, relying exclusively on the HMO delivery model, and delaying coverage for pre-existing conditions. During 2003, two important steps were taken to strengthen the Program's affordability; 1) enhancing the State subsidy by significantly changing the stop-loss corridor and ; 2)making prescription drug coverage optional rather than mandatory.

The Insurance Department administers the Program and conducts a wide range of activities, including contracting for a toll-free information line (which can be accessed 24 hours a day, seven days a week); maintaining a website that describes the Program's eligibility requirements and presents premiums charged by each HMO in each county; overseeing advertising efforts; collecting and analyzing information from the health plans; conducting educational outreach; and reviewing rate filings.

In summary, Healthy NY is off to a highly successful start. The Program is thoughtfully designed and serves a population that would largely go uninsured in the absence of the Healthy NY initiative. It is clearly poised for continued enrollment growth and to play an increasingly important role in the State's effort to provide affordable health coverage to its residents.

Appendix A:
**2003 Premiums for Individual Coverage by
County and HMO and Distribution of
Healthy NY Enrollment Among Health Plans
Serving Each County**

County	Health Plan	Single Premium, Jan. 2003-July 2003	Total Enrollment, July 2003	Percent Market Share within County, July 2003
Albany	CDPHP	\$155.73	654	45%
	Empire HealthChoice	\$247.09	18	1%
	GHI HMO Select	\$172.33	4	0%
	HealthNow	\$151.21	734	50%
	MVP Health Care	\$167.10	51	3%
Allegany	HealthNow	\$128.89	22	44%
	Independent Health	\$138.00	8	16%
	Univera Healthcare-Western NY	\$162.79	20	40%
Bronx	Aetna	\$225.00	42	9.1%
	Atlantis	\$193.48	18	3.9%
	CIGNA	\$228.35	102	22.2%
	Empire HealthChoice	\$279.18	87	18.9%
	GHI HMO Select	\$211.57	21	4.6%
	HealthNet (Physicians Health Services)	\$250.22	3	0.7%
	HIP	\$214.32	72	15.7%
	Horizon	\$214.71	1	0.2%
	MagnaHealth	\$245.54	1	0.2%
	Oxford	\$228.38	98	21.3%
	United HealthCare	\$245.50	15	3.3%
Broome	Aetna	\$202.50	5	1.8%
	CDPHP	\$172.86	73	26.7%
	Excellus (Central NY)	\$225.05	35	12.8%
	GHI HMO Select	\$172.33	6	2.2%
	MVP Health Care	\$170.84	154	56.4%
Cattaraugus	HealthNow	\$128.89	50	30.1%
	Independent Health	\$138.00	39	23.5%
	Univera Healthcare-Western NY	\$162.79	77	46.4%
Cayuga	Aetna	\$202.50	4	6%
	Excellus (Central NY)	\$225.05	55	89%
	United HealthCare of Upstate New York	\$231.31	3	5%
Chautaugua	HealthNow	\$128.89	91	37%
	Independent Health	\$138.00	64	26%
	Univera Healthcare-Western NY	\$162.79	90	37%
Chemung	Excellus (Central NY)	\$225.05	40	67%
	HealthNow	\$163.00	20	33%
Chenango	CDPHP	\$172.86	15	19%
	Excellus (Utica-Watertown)	\$262.24	4	5%
	MVP Health Care	\$170.84	60	76%
Columbia	CDPHP	\$155.73	238	77%
	Empire HealthChoice	\$247.09	8	3%
	GHI HMO Select	\$172.33	7	2%
	HealthNow	\$151.21	16	5%
	MVP Health Care	\$167.10	40	13%
Cortland	Excellus (Central NY)	\$225.05	53	100%
Delaware	CDPHP	\$172.86	27	29%
	Empire HealthChoice	\$247.09	11	12%
	Excellus (Utica-Watertown)	\$262.24	1	1%
	GHI HMO Select	\$172.33	5	5%
	MVP Health Care	\$170.84	49	53%

County	Health Plan	Single Premium, Jan. 2003-July 2003	Total Enrollment, July 2003	Percent Market Share within County, July 2003
Dutchess	Aetna	\$225.00	34	4%
	CDPHP	\$205.56	71	9%
	Empire HealthChoice	\$279.18	109	14%
	GHI HMO Select	\$188.99	54	7%
	HealthNet (Physicians Health Services)	\$252.67	1	0%
	MVP Health Care	\$192.83	491	63%
	Oxford	\$228.38	18	2%
	United HealthCare	\$222.59	6	1%
Erie	HealthNow	\$128.89	1834	60%
	Independent Health	\$138.00	861	28%
	Univera Healthcare-Western NY	\$162.79	370	12%
Essex	CDPHP	\$172.86	6	10%
	Empire HealthChoice	\$247.09	11	19%
	Excellus (Utica-Watertown)	\$262.24	7	12%
	HealthNow	\$151.21	35	59%
Franklin	Excellus (Utica-Watertown)	\$262.24	10	100%
Fulton	CDPHP	\$155.73	33	38%
	Empire HealthChoice	\$247.09	1	1%
	HealthNow	\$151.21	20	23%
	MVP Health Care	\$167.10	32	37%
Genesee	Excellus (Rochester)	\$159.27	1	1%
	HealthNow	\$128.89	56	45%
	Independent Health	\$138.00	37	30%
	Preferred Care	\$162.48	22	18%
	Univera Healthcare-Western NY	\$162.79	8	6%
Greene	CDPHP	\$155.73	127	59%
	Empire HealthChoice	\$247.09	28	13%
	GHI HMO Select	\$172.33	6	3%
	HealthNow	\$151.21	1	0%
	MVP Health Care	\$167.10	55	25%
Hamilton	CDPHP	\$172.86	2	11%
	Excellus (Utica-Watertown)	\$262.24	3	16%
	MVP Health Care	\$167.10	14	74%
Herkimer	CDPHP	\$172.86	14	15%
	MVP Health Care	\$170.84	80	85%
Jefferson	Excellus (Utica-Watertown)	\$262.24	30	100%
Kings	Aetna	\$225.00	195	13%
	AmeriChoice	\$233.60	5	0%
	Atlantis	\$193.48	59	4%
	Empire HealthChoice	\$279.18	464	30%
	GHI HMO Select	\$211.57	122	8%
	HealthNet (Physicians Health Services)	\$250.22	6	0%
	HIP	\$214.32	250	16%
	Horizon	\$214.71	3	0%
	MagnaHealth	\$245.54	12	1%
	Managed Health	\$233.61	2	0%
	Oxford	\$228.38	350	23%
	United HealthCare	\$245.50	55	4%

County	Health Plan	Single Premium, Jan. 2003-July 2003	Total Enrollment, July 2003	Percent Market Share within County, July 2003
Lewis	Excellus (Utica-Watertown)	\$262.24	2	61%
	MVP Health Care	\$170.84	34	39%
Livingston	Excellus (Rochester)	\$172.74	51	70%
	Preferred Care	\$162.48	22	30%
Madison	CDPHP	\$172.86	4	3%
	Excellus (Utica-Watertown)	\$262.24	12	9%
	MVP Health Care	\$170.84	114	88%
Monroe	Excellus (Rochester)	\$172.74	535	63%
	HealthNow	\$149.82	2	0%
	Preferred Care	\$162.48	312	37%
Montgomery	CDPHP	\$155.73	60	32%
	Empire HealthChoice	\$247.09	1	1%
	HealthNow	\$151.21	11	6%
	MVP Health Care	\$167.10	114	61%
Nassau	Aetna	\$225.00	212	8%
	CIGNA	\$228.35	275	10%
	Empire HealthChoice	\$279.18	516	18%
	GHI HMO Select	\$211.57	12	0%
	HealthNet (Physicians Health Services)	\$233.62	8	0%
	HIP	\$214.32	174	6%
	Horizon	\$214.71	4	0%
	MagnaHealth	\$234.00	26	1%
	Managed Health	\$233.61	4	0%
	Oxford	\$228.38	263	9%
	United HealthCare	\$245.50	41	1%
	Vytra Health Plans	\$164.28	1271	45%
New York	Aetna	\$225.00	201	12%
	Atlantis	\$193.48	68	4%
	CIGNA	\$228.35	132	8%
	Empire HealthChoice	\$279.18	457	27%
	GHI HMO Select	\$211.57	51	3%
	HealthNet (Physicians Health Services)	\$250.22	16	1%
	HIP	\$214.32	204	12%
	MagnaHealth	\$245.54	7	0%
	Managed Health	\$233.61	7	0%
	Oxford	\$228.38	440	26%
	United HealthCare	\$245.50	134	8%
Niagara	HealthNow	\$128.89	119	32%
	Independent Health	\$138.00	201	54%
	Univera Healthcare-Western NY	\$162.79	49	13%
Oneida	CDPHP	\$172.86	37	11%
	Excellus (Utica-Watertown)	\$262.24	21	7%
	MVP Health Care	\$170.84	264	82%
Onondaga	Aetna	\$202.50	5	1%
	Excellus (Central NY)	\$225.05	190	36%
	HealthNow	\$154.32	32	6%
	MVP Health Care	\$170.84	289	55%
	United HealthCare of Upstate New York	\$231.31	8	2%
Ontario	Excellus (Rochester)	\$172.74	81	68%
	Preferred Care	\$162.48	39	33%

County	Health Plan	Single Premium, Jan. 2003-July 2003	Total Enrollment, July 2003	Percent Market Share within County, July 2003
Orange	Aetna	\$225.00	29	4%
	CDPHP	\$183.76	93	13%
	Empire HealthChoice	\$247.09	265	37%
	GHI HMO Select	\$188.99	94	13%
	HIP	\$214.32	8	1%
	MVP Health Care	\$192.83	181	26%
	Oxford	\$228.38	27	4%
	United HealthCare	\$222.59	11	2%
Orleans	Excellus (Rochester)	\$159.27	13	22%
	HealthNow	\$128.89	13	22%
	Independent Health	\$138.00	19	32%
	Preferred Care	\$162.48	11	19%
	Univera Healthcare-Western NY	\$162.79	3	5%
Oswego	Aetna	\$202.50	4	5%
	Excellus (Central NY)	\$225.05	73	91%
	HealthNow	\$154.32	2	3%
	United HealthCare of Upstate New York	\$231.31	1	1%
Otsego	CDPHP	\$172.86	28	40%
	Excellus (Utica-Watertown)	\$262.24	3	4%
	GHI HMO Select	\$172.33	3	4%
	MVP Health Care	\$170.84	36	51%
Putnam	Aetna	\$225.00	58	21%
	Empire HealthChoice	\$279.18	81	29%
	GHI HMO Select	\$188.99	48	17%
	MVP Health Care	\$192.83	55	20%
	Oxford	\$228.38	28	10%
	United Healthcare	\$222.59	8	3%
Queens	Aetna	\$225.00	202	12%
	AmeriChoice	\$233.60	1	0%
	Atlantis	\$193.48	40	2%
	Empire HealthChoice	\$279.18	421	24%
	GHI HMO Select	\$211.57	60	3%
	HealthNet (Physicians Health Services)	\$250.22	6	0%
	HIP	\$214.32	292	17%
	Horizon	\$214.71	4	0%
	MagnaHealth	\$245.54	8	0%
	Oxford	\$228.38	350	20%
	United HealthCare	\$245.50	42	2%
	Vytra Health Plans	\$164.28	300	17%
Rensselaer	CDPHP	\$155.73	352	78%
	Empire HealthChoice	\$247.09	19	4%
	GHI HMO Select	\$172.33	11	2%
	HealthNow	\$151.21	40	9%
	MVP Health Care	\$167.10	31	7%

County	Health Plan	Single Premium, Jan. 2003-July 2003	Total Enrollment, July 2003	Percent Market Share within County, July 2003
Richmond	Aetna	\$225.00	64	16%
	Atlantis	\$193.48	17	4%
	Empire HealthChoice	\$279.18	146	36%
	GHI HMO Select	\$211.57	32	8%
	HealthNet (Physicians Health Services)	\$250.22	2	0%
	HIP	\$214.32	84	20%
	Horizon	\$214.71	4	1%
	MagnaHealth	\$245.54	3	1%
	Oxford	\$228.38	48	12%
	United Healthcare	\$245.50	10	2%
Rockland	Aetna	\$225.00	115	20%
	Empire HealthChoice	\$279.18	206	35%
	GHI HMO Select	\$188.99	141	24%
	HIP	\$214.32	28	5%
	Oxford	\$228.38	91	16%
Saratoga	CDPHP	\$155.73	462	70%
	Empire HealthChoice	\$247.09	30	5%
	GHI HMO Select	\$172.33	6	1%
	HealthNow	\$151.21	41	6%
	MVP Health Care	\$167.10	119	18%
Schenectady	CDPHP	\$155.73	421	72%
	Empire HealthChoice	\$247.09	15	3%
	GHI HMO Select	\$172.33	2	0%
	HealthNow	\$151.21	31	5%
	MVP Health Care	\$167.10	112	19%
Schoharie	CDPHP	\$155.73	65	71%
	Empire HealthChoice	\$247.09	5	5%
	MVP Health Care	\$167.10	22	24%
Schuyler	Excellus (Central NY)	\$225.05	16	100%
Seneca	Excellus (Rochester)	\$172.74	19	79%
	Preferred Care	\$162.48	5	21%
St. Lawrence	Excellus (Utica-Watertown)	\$262.24	38	100%
Steuben	Excellus (Central NY)	\$225.05	60	100%
Suffolk	Aetna	\$225.00	183	5%
	Empire HealthChoice	\$279.18	400	11%
	GHI HMO Select	\$211.57	8	0%
	HealthNet (Physicians Health Services)	\$233.62	5	0%
	HIP	\$214.32	125	3%
	Horizon	\$214.71	1	0%
	MagnaHealth	\$234.00	6	0%
	Managed Health	\$233.61	6	0%
	MDNY Healthcare	\$197.82	262	7%
	Oxford	\$228.38	153	4%
	United Healthcare	\$245.50	59	2%
	Vytra Health Plans	\$164.28	2594	68%
Sullivan	Aetna	\$225.00	8	4%
	Empire HealthChoice	\$247.09	113	61%
	GHI HMO Select	\$188.99	33	18%
	MVP Health Care	\$191.29	31	17%

County	Health Plan	Single Premium, Jan. 2003-July 2003	Total Enrollment, July 2003	Percent Market Share within County, July 2003
Tioga	Aetna	\$202.50	3	5%
	CDPHP	\$172.86	18	29%
	Excellus (Central NY)	\$225.05	16	26%
	MVP Health Care	\$170.84	25	40%
Tompkins	Excellus (Central NY)	\$225.05	78	100%
Ulster	Aetna	\$225.00	2	0%
	CDPHP	\$183.76	107	16%
	Empire HealthChoice	\$247.09	59	9%
	GHI HMO Select	\$181.43	60	9%
	MVP Health Care	\$170.84	448	66%
Warren	CDPHP	\$155.73	114	64%
	Empire HealthChoice	\$247.09	26	15%
	GHI HMO Select	\$172.33	1	1%
	MVP Health Care	\$167.10	37	21%
Washington	CDPHP	\$155.73	77	46%
	Empire HealthChoice	\$247.09	12	7%
	GHI HMO Select	\$172.33	5	3%
	HealthNow	\$151.21	25	15%
	MVP Health Care	\$167.10	48	29%
Wayne	Excellus (Rochester)	\$172.74	76	61%
	HealthNow	\$149.82	9	7%
	Preferred Care	\$162.48	40	32%
Westchester	Aetna	\$225.00	175	16%
	Empire HealthChoice	\$279.18	382	35%
	GHI HMO Select	\$211.57	60	5%
	HealthNet (Physicians Health Services)	\$274.64	16	1%
	HIP	\$214.32	103	9%
	MagnaHealth	\$234.00	4	0%
	Oxford	\$228.38	324	30%
	United HealthCare	\$245.50	32	3%
Wyoming	Excellus (Rochester)	\$159.27	27	36%
	HealthNow	\$128.89	27	36%
	Independent Health	\$138.00	17	22%
	Preferred Care	\$162.48	5	7%
Yates	Excellus (Rochester)	\$172.74	20	61%
	Preferred Care	\$162.48	13	39%