

## New York State Raises 2009 Assessments Under the Health Care Reform Act

New York, like many other states, is facing a fiscal and economic crisis. As part of a Deficit Reduction Plan announced on February 3, 2009, New York State has increased both the regular covered lives assessments for 2009<sup>1</sup> under the New York Health Care Reform Act (HCRA)<sup>2</sup> and the temporary supplemental assessments that were introduced only a few months ago as part of the State's 2008-09 budget. In what is a unique scenario for this program, assessments will be increased retroactive to January 1, 2009. The revised regular covered lives assessments are between 12.4 and 13.3 percent higher, depending on region, than the rates previously announced. The increases in the temporary supplemental assessments, which will end after March 2009, are substantially higher: more than two-and-one-half times (between 169.7 and 171.6 percent), depending on region. Payers (*i.e.*, self-insured plans and their administrators, health insurers and managed care organizations) that have already made their January 2009 payment will be billed for the increased January and February payment in March.

### BACKGROUND

Professional Education Pool (PEP) covered lives assessments are surcharges that payers must pay for health plan participants who live in New York State. (The covered lives assessments do not apply to care for non-residents or to Medicare, Medicaid, plans under the Federal Employees Health Benefits Act or student health

plans.) The covered lives assessments vary according to eight geographic regions. The amounts are adjusted at least annually — and sometimes, as in the instance discussed in this *Bulletin*, more often — to reconcile regional funding shortfalls. The covered lives assessments are contributed to HCRA pools that are used to help fund graduate medical education (GME) in state hospitals and critical health care initiatives. Those payers that choose to pay the covered lives assessments monthly directly to the state are called “electing payers.”<sup>3</sup>

### THE REVISED 2009 ASSESSMENTS

Under the new rates, electing payers will pay an annual amount (determined by county of residence), ranging from a low of \$7.61 per individual and \$25.11 per family in the Utica/Watertown region to a high of \$185.93 per individual and \$613.56 per family in New York City.

The table on the next page of this *Bulletin* shows the revised 2009 covered lives assessment rate for counties, the revised additional, temporary covered lives assessment, which applies from October 1, 2008 through March 31, 2009, and the GME surcharge for non-electing payers for each region, which is unchanged.

Both electing and non-electing payers must also pay a surcharge for indigent care, which has not changed: 8.95 percent (for services rendered January 1, 2006 to December 31, 2011).



*As with all matters concerning the interpretation of law, plan sponsors should rely on the advice of legal counsel when determining the impact of HCRA on their plans. Sibson Consulting is prepared to undertake assignments to assist sponsors of plans that cover New York State residents and sponsors of plans with participants who receive care in New York and their attorneys to make this determination.*

<sup>1</sup> The State's letter to plan sponsors is available on the New York State Department of Health's Web site: [http://www.health.state.ny.us/nysdoh/hcra/letters/2009-02-12\\_governor\\_patersons\\_deficit\\_reduction\\_plan\\_proposals.htm](http://www.health.state.ny.us/nysdoh/hcra/letters/2009-02-12_governor_patersons_deficit_reduction_plan_proposals.htm)

<sup>2</sup> New York's HCRA was enacted in 1996 and was originally scheduled to sunset in 2000. Several subsequent laws extended HCRA. The most recent extension is through December 31, 2011.

<sup>3</sup> “Non-electing payers” that do not pay the covered lives assessments must pay a GME surcharge on covered hospital charges.

**REVISED 2009 GME ANNUAL COVERED LIVES ASSESSMENTS FOR ELECTING PAYERS AND TEMPORARY SUPPLEMENTAL ASSESSMENTS, AS WELL AS THE UNCHANGED SURCHARGES FOR NON-ELECTING PAYERS**

	2009 Annual Covered Lives Assessments for Electing Payers		Annual Supplemental Assessments (Payable 10/08 – 3/09*)		GME Surcharges for Non-Electing Payers**
	Individual	Family	Individual	Family	
<b>New York City</b> (Bronx, Kings, New York, Queens & Richmond)	\$185.93	\$613.56	\$61.31	\$202.32	27.28%
<b>Long Island</b> (Nassau & Suffolk)	56.14	185.26	18.84	62.17	13.89%
<b>Northern Metro</b> (Columbia, Delaware, Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster & Westchester)	32.74	108.03	10.00	33.00	9.31%
<b>Northeastern</b> (Albany, Clinton, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren & Washington)	36.42	120.19	11.16	36.83	8.42%
<b>Utica/Watertown</b> (Chenango, Franklin, Hamilton, Herkimer, Jefferson, Lewis, Madison, Oneida, Oswego, Otsego & St. Lawrence)	7.61	25.11	2.32	7.66	2.25%
<b>Central</b> (Broome, Cayuga, Chemung, Cortland, Onondaga, Schuyler, Steuben, Tioga & Tompkins)	48.03	158.51	14.94	49.30	9.57%
<b>Rochester</b> (Livingston, Monroe, Ontario, Seneca, Wayne & Yates)	92.24	304.40	28.19	93.03	18.62%
<b>Western</b> (Allegheny, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans & Wyoming)	34.77	114.75	10.21	33.69	6.78%

Sources from the New York State Department of Health Web site: [http://www.health.state.ny.us/nysdoh/hcra/gme/docs/surcharges\\_and\\_assessments\\_2009.pdf](http://www.health.state.ny.us/nysdoh/hcra/gme/docs/surcharges_and_assessments_2009.pdf) and [http://www.health.state.ny.us/nysdoh/hcra/assessments/supplemental/docs/supplemental\\_surcharges\\_and\\_assessments\\_2009-02-03.pdf](http://www.health.state.ny.us/nysdoh/hcra/assessments/supplemental/docs/supplemental_surcharges_and_assessments_2009-02-03.pdf)

\* The monthly payment will be the annual assessment divided by 12. The previous supplemental assessment rates are noted in the following Sibson Bulletin: <http://www.sibson.com/publications/bulletins/feb09NYHCRA.pdf>

\*\* These remain unchanged. They were last revised in 2006.

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