

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

The New York State Department of Health has published the covered lives assessments for 2009<sup>1</sup> under the New York Health Care Reform Act (HCRA).<sup>2</sup> All of the 2009 assessments are higher than the 2008 assessments.<sup>3</sup> The percentage increases range from just under 10 percent to just over 30 percent.

### BACKGROUND

Professional Education Pool (PEP) covered lives assessments are surcharges that payers (*i.e.*, self-insured plans and their administrators, health insurers and managed care organizations) 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 annually 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.<sup>4</sup> Those payers that choose to pay the covered lives assessments monthly directly to the state are called “electing payers.”

<sup>1</sup> The State’s letter to plan sponsors is available online: [http://nyhealth.gov/nysdoh/hcra/gme/rates\\_letter\\_2008.htm](http://nyhealth.gov/nysdoh/hcra/gme/rates_letter_2008.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> Those adjustments were reported in Sibson Consulting’s November 2007 *Bulletin*, “2008 Assessments Under the New York Health Care Reform Act”: <http://www.sibson.com/publications/bulletins/nov07NYHCRA.pdf>

<sup>4</sup> “Non-electing payers” that do not pay the covered lives assessments must pay a GME surcharge on covered hospital charges.

## THE 2009 ASSESSMENTS

Under the new rates, electing payers will pay an annual amount (determined by county of residence), ranging from a low of \$6.74 per individual and \$22.24 per family in the Utica/Watertown region to a high of \$164.61 per individual and \$543.20 per family in New York City.

The table on the next page of this *Bulletin* shows the 2009 covered lives assessment rate for counties, an 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.

Both electing and non-electing payers must pay a surcharge for indigent care, which remains unchanged: 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.*

*Continued on next page.*

**2009 GME ANNUAL COVERED LIVES ASSESSMENTS FOR ELECTING PAYERS, TEMPORARY SUPPLEMENTAL ASSESSMENTS AND 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 and Richmond)	\$164.61	\$543.20	\$22.60	\$74.58	27.28%
<b>Long Island</b> (Nassau and Suffolk)	49.56	163.54	6.94	22.90	13.89%
<b>Northern Metro</b> (Columbia, Delaware, Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester)	28.99	95.68	3.69	12.18	9.31%
<b>Northeastern</b> (Albany, Clinton, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington)	32.25	106.43	4.11	13.56	8.42%
<b>Utica/Watertown</b> (Chenango, Franklin, Hamilton, Herkimer, Jefferson, Lewis, Madison, Oneida, Oswego, Otsego and St. Lawrence)	6.74	22.24	0.86	2.84	2.25%
<b>Central</b> (Broome, Cayuga, Chemung, Cortland, Onondaga, Schuyler, Steuben, Tioga and Tompkins)	42.47	140.16	5.51	18.18	9.57%
<b>Rochester</b> (Livingston, Monroe, Ontario, Seneca, Wayne and Yates)	81.70	269.61	10.39	34.29	18.62%
<b>Western</b> (Allegheny, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans and Wyoming)	30.93	102.08	3.76	12.41	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/gme/docs/supplemental\\_surcharges\\_and\\_assessments\\_2008.pdf](http://www.health.state.ny.us/nysdoh/hcra/gme/docs/supplemental_surcharges_and_assessments_2008.pdf)

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

\*\* The monthly payment will be the annual assessment divided by 12.

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