

Increasing Access to Health Insurance Coverage and Moving Towards Universal Healthcare Coverage: Defining the Goals and Identifying the Steps

Testimony before the New York State Department of Health
and the New York State Department of Insurance
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Presented by: Adam Forest Huttler, Executive Director, Fractured Atlas

Good morning. I'd like to thank you for providing the opportunity for me to speak, and for including the arts in this important discussion. My name is Adam Huttler and I'm the founder and Executive Director of Fractured Atlas, which is the largest arts service organization in New York State. Fractured Atlas serves a community of artists and independent creative workers by providing a comprehensive infrastructure of support including technical assistance, fiscal sponsorship, professional development, event liability insurance, and access to affordable healthcare. We help artists hone their entrepreneurial skills in order to thrive and prosper while they advance their artistic careers.

Healthcare is a basic and fundamental need critical to everyone's livelihood, and artists are no exception. Since our inception almost ten years ago, Fractured Atlas has been keen to recognize artists' needs, and has been leading the charge towards providing a variety of health insurance options for New York's diverse artist population. Nevertheless, access to affordable health insurance remains problematic for artists and independent creative workers.

According to *Creative New York*, a 2005 study by the Center for an Urban Future, the creative workforce in New York City alone numbers over 300,000. Approximately 30% of this population is self-employed. Like other independent workers, artists' work patterns are sporadic and volatile. As such, artists typically lack access to the employer-sponsored health insurance plans which are the backbone of America's healthcare system. The major performing arts unions such as Actors Equity and the Screen Actors Guild work hard to fill this gap, but in reality only a small percentage of union members qualify for coverage, not to mention the tens of thousands of artists who don't belong to a union. For these reasons, any reform proposals which involve an expansion of the employment-based model will inevitably exclude the arts and creative industries.

For the most part, arts industry professionals who have health insurance either buy it on the individual market or band together in association-based groups. The term "association" is almost a bad word when you're talking about health insurance, but the truth is that legitimate, competent, non-profit associations like Fractured Atlas can play valuable roles as healthcare intermediaries. We provide coverage that is portable and can be maintained as an individual moves between jobs or assignments and even during periods of unemployment. We also serve as advocates on our members' behalf, by helping them navigate their coverage options, by explaining their benefits in simple down-to-earth language, and by mediating disputes between individuals and insurance companies or providers. In addition, we have on more than one occasion negotiated special eligibility rules for sole-proprietor plans that account for the atypical employment patterns in the arts and creative industries.

Yet despite our many success stories, Fractured Atlas's efforts to provide cost-effective health insurance options are constrained by certain aspects of the state's health insurance regulations. As you know, groups with fewer than 50 employees in New York are subject to community rating. This rule also applies to associations in which any single member has fewer than 50 employees. Since the 8,000 New York artists in our membership are all self-employed, this means we have no hope of leveraging our numbers for improved negotiating power with the insurance companies. As a practical matter, it means those 8,000 individuals pay a penalty for their career choice in the form of much higher health insurance premiums. Considering the enormous benefits that the arts and creative industries bring to the state's economy, this feels at times like an arbitrary and harsh punishment.

We are aware of a special designation for qualifying association plans, subject to the approval of the superintendent of insurance, which allows for normal large group rating. To our knowledge, there is only one organization in New York State that has been assigned a special class (M) designation. While it is a valuable organization which provides a great service to New York State, it isn't a panacea. Specifically, many artists have found it difficult to meet their requirements for participation, which are designed to accommodate a broad range of industries. Providing organizations like Fractured Atlas with the same opportunity would go a long way towards leveling the playing field and providing real options for the state's artists.

To a lesser degree, Fractured Atlas is also held back by the fact that nonprofit organizations cannot have a broker's license under NY state insurance law. This limits our ability to serve the needs of our constituents and deprives the organization of a great opportunity to subsidize its operations at no cost to the membership.

New York is, for the time being, the cultural capital of the world. The arts and creative industries make a huge and well documented contribution to the state's economic prosperity. However, many cities across the nation are investing in social capital to facilitate the establishment of creative communities, utilizing the arts to cultivate and sustain economic growth. As a result, more and more artists are embracing the enticing opportunities these new locations can offer them, especially in light of some special challenges that are particularly taxing upon New York's delicate creative ecosystem. Among the most influential factors is the lack of access to affordable health insurance. Fortunately, it is within the state's power to make a few minor adjustments, with no budget allocations required, which would dramatically improve this situation. From the standpoint of today's subject matter, these moves would also result in a substantial increase in the ranks of the insured in New York State. Thank you for your attention to this important issue and for your commitment to the health of all New Yorkers, including artists.