

**Remarks by:****James R. Knickman, President and CEO of the New York State Health Foundation****At The Public Hearing: Increasing Access to Health Insurance Coverage and Moving Toward Universal Healthcare Coverage: Defining the Goals and Identifying the Steps****October 30, 2007****An Offer of Assistance for the Emerging State Effort to Expand Insurance Coverage**

My name is James Knickman; I am the President and CEO of the New York State Health Foundation. I am here today to offer our assistance in this important State effort to expand insurance coverage.

The New York State Health Foundation was established as a 501c3 private foundation by a State statute and received a portion of the proceeds from the conversion of Empire Blue Cross Blue Shield from a nonprofit corporation to a for-profit corporation. We began our operations 18 months ago. Our assets are now \$300 million, and we are making more than \$20 million in grants this year to address our three-part mission:

- expanding insurance coverage for New Yorkers;
- improving access to high-quality health care; and
- raising public awareness about health issues while helping communities address health care and public health challenges.

Our Foundation is committed to being a positive force in assisting the State in its efforts to expand insurance coverage. We wish to work with all of the parties within and outside government to find effective and feasible solutions to this problem.

Other state governments throughout the country are in the midst of efforts to expand insurance coverage using state public policy levers. And, state-based philanthropies, like ours, have played important and supportive roles in these processes. The California Health Care Foundation instituted a Coverage Expansion Resource Center in 2004 to develop a framework for state and national policymakers to objectively compare attributes and tradeoffs of expansion proposals. The Blue Cross Blue Shield (BCBS) Foundation of Massachusetts continues to be a major influence in moving the health policy agenda in the development of the Massachusetts Insurance Connector. The BCBS Foundation developed the *Roadmap to Coverage* initiative designed to provide comprehensive research on the uninsured and options for expanding coverage. This foundation convened statewide meetings in Massachusetts with experts in health care, business, labor and government leaders to examine and discuss the ideas presented. This work played a key role in helping to develop the consensus and compromises that led to the passage of health insurance reform legislation in the State.

Finally, Colorado is one of a handful of states with commissions charged to create recommendations for expanding coverage and reforming health care for their state. As part of Colorado's Commission for Health Care Reform, Colorado Health Trust has partnered with the State in the development of their universal coverage health reform proposals. The Colorado Health Trust funds technical assistance to examine the proposals' viability, and identifies ways to make health coverage more affordable and accessible.

We offer today to play roles in New York State similar to the important roles our sister Foundations have played in other states. We are open to ideas suggested both by members of any of the branches of our State government or by key players in the health industry and the consumer community. And, we have already begun to play some of these roles. Together with the New York State Department of Health, we are working on an initiative that involves quick turnaround analyses of how to simplify the current array of public insurance programs to make it easier for eligible New Yorkers to enroll and to stay enrolled. These administrative studies will assist current State efforts to maximize enrollments in existing public insurance programs.

Our Foundation is also in the early stages of establishing the NYSHHealth Coverage Consortium, which will engage the leading analytic talent around the State to begin conducting background studies needed to:

- understand the costs and impacts of alternative policies that expand coverage;
- explore methods of bolstering our small group and individual insurance markets;
- better understand how the particular characteristics of the New York health system (such as reliance on hospitals for a large share of primary care in New York City and the large number of immigrants among our population) will influence attempts to expand coverage; and
- explore how market incentives, new approaches to insurance regulation, and consumer-based principles might make insurance expansions feasible and affordable.

The agenda of the Coverage Consortium is flexible, and we hope our partners involved with the Consortium emerge as important resources in the next few years as the State works to design a new approach to insuring New Yorkers.

Our Foundation is also preparing to announce grants to 13 organizations throughout New York State that responded to our request for proposals to support projects that could be done by community-based organizations with ideas on how to facilitate insurance expansions in the State. We received many creative proposals and believe that these bottoms-up ideas will be important to shaping the insurance design process and the state-wide consensus-building process that is crucial to a state policy-based effort to expand coverage.

Our approach is to offer assistance and to be a positive force in the consensus building and analytic parts of this venture to expand coverage. We want to use our resources to engage people and organizations throughout the State who want to work together to solve the problem of too many New Yorkers going without insurance and failing to receive the health care they need.

We do not come today with our own “plan” or a set of biases about how insurance coverage should happen. Rather, we want to remain an objective player, an assisting player, and a positive force. We have spent a great deal of time thinking about this problem, talking to experts throughout the country about the challenge, and looking at how other states are approaching the task of expanding insurance. We offer just a few principles that emerge from our review of the issue:

- 1) Insurance is important for improving access to care, but it is by no means the only thing we need to ensure access. We need to expand our capacity for primary care in New York, and we need to consider how to redesign reimbursement systems so that physicians and other medical providers can spend the time that is necessary to help people with diabetes, asthma, congestive heart failure, and other chronic diseases manage their health. It may be just as important to ensure every New Yorker has a medical home as it is to expand insurance coverage in our efforts to improve access to health care and to maintain healthy lives.
- 2) If we do not get health care costs under control, any new efforts to expand insurance coverage will fail. Insurance is unaffordable if health care costs go up 10% or more each year.
- 3) We need more transparency in how much different providers charge in terms of out-of-pocket costs. And, we need more information about the relative quality and outcomes associated with different providers. In general, we need to create incentives for consumers to make efficient and informed choices in using health care. We do not face a dichotomy of “market forces” vs. government-run health care: for our system of care and financing to work, we need a blend of market forces and government involvement. We also need insurance regulatory policies that strengthen the market for insurance.

In closing, I want to come back to my central theme. Please consider our Foundation to be a key community resource to help inform the considerations of insurance expansion and to help bring about the consensus and compromise that will lead to an insurance system we all can be proud of as New Yorkers.

Thank you for this opportunity to share my ideas.