

To: Partnership4Coverage

From: Joan Cooney – Retired Public Employees Association

Subject: Comments on the Modeling Options for NY Health Reform

Date: July 15, 2008

Thank you for the opportunity to review and comment on the modeling instructions for New York State's health insurance expansion.

The range of proposals selected for modeling is excellent. I have, in the past, read the simulation results of numerous proposals, but I have never seen any that has systematically considered the effects of "free market forces." These results will be important, since there is a sizable group calling for the deregulation of the health insurance industry.

I hope the results will present administrative costs separately and will be able to provide an estimate of how many enrollees lose coverage as result of improper business practices on the part of insurers.

Finally, I agree that there is little solid information concerning the savings that can be achieved by the most currently-discussed cost containment proposals. The only cost-saving practice that appears to have a track record on the state level is bulk purchasing of prescription drugs in conjunction with preferred drug lists. Would it be possible to determine how the price concessions obtained by bulk purchasing change over time in states where it has been used for several years?

I look forward to reading the results.