



121 STATE STREET
ALBANY, NEW YORK 12207-1693
TEL: 518-436-0751
FAX: 518-436-4751

April 30, 2018

RE: AN ACT to amend the insurance law, in relation to requiring health insurance coverage of inpatient treatment of opioid addiction

A.1509 (Cahill)

MEMORANDUM IN OPPOSITION

Submitted on behalf of the Blue Cross and Blue Shield Plans

The New York State Conference of Blue Cross and Blue Shields Plans oppose enactment of this bill, which would impose an unfunded mandate on the Child Health Plus (CHP) Program, result in adverse selection, and require CHP participating insurance plans to cover a benefit that the State Department of Health has already decided against including in the benefit package.

The CHP program was created by the NYS Legislature in 1990 and serves as a quasi-government program/commercial insurance product that provides coverage for children under 19 whose parents' income is too high for Medicaid, but who otherwise meet the applicable income eligibility level, which is currently 400% above the Federal Poverty Level (for a family of four, this is equal to \$95,400). The CHP benefit package is very comprehensive, and, with limited exceptions, there are no copays, deductibles, or any other cost sharing requirements in CHP (only families with incomes above 160% of the FPL are required to pay monthly premiums). Through April 2018, there were 366,000 children enrolled in CHP throughout the State.

This Bill would impose a costly benefit mandate on participating plans and the State when there is no mechanism to increase rates. In individual and group plans, ostomy supplies, as with other durable medical equipment and supplies, are *virtually always* covered subject to reasonable co-pays and deductibles. However, because CHP does not permit reasonable copays, such supplies would have to be covered in full using existing premium dollars. This would be an added cost to the State and could lead to adverse selection away from the Qualified Health Plans offered through the Exchange.

This Bill ignores the fact that the Department of Health, aware of the costs of covering this benefit and the State's unwillingness to invest additional premium dollars into CHP, has historically opposed including ostomy supplies in the CHP benefit package. Mandating coverage as proposed

here would ignore a decision that is clearly within the purview of the Department of Health and supported by a sound fiscal and policy rationale.

For the foregoing reasons, the Blue Cross and Blue Shield Plans urge that this bill not be enacted.

Respectfully submitted,

HINMAN STRAUB ADVISORS, LLC
Legislative Counsel for the Blue Cross and Blue Shield Plans