Human Resources Administration
Department of
Social Services

TESTIMONY

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Health Insurance Options for Young Adults
City Council Health Committee

April 23, 2009

Good afternoon. I am Marjorie Cadogan, Executive Deputy Commissioner of the Human Resources Administration's Office of Citywide Health Insurance Access (HRA/OCHIA). First, let me thank you for the opportunity to join you in this important discussion on health insurance options for young adults. Although they are not often the first group that comes to mind when people talk about the uninsured, young adults are a critical population without coverage. Nationally, they are one of the largest and the fastest growing segments of the uninsured.[1] Here in New York City, one out of every four young adults was uninsured in 2007. These approximately 450,000 adults 19 to 35 years of age account for about half of all uninsured non-elderly adults in the City.[2]

Expanding access to health insurance is a priority for Mayor Bloomberg and, under his leadership, New York City has seen significant increases in the number of individuals who have coverage. As of January 2009, approximately 2.7 million New York City residents were enrolled in public health insurance programs[3,4] Since the Mayor took office, enrollment in public health insurance has increased by 37 percent.[5] These gains are the result of State coverage expansions and enrollment and renewal simplifications, as well as City efforts to maximize the enrollment and retention of eligible residents through HRA's Medical Assistance Program and, coordinated by my office, the HealthStat Initiative, which offers enrollment opportunities in neighborhoods across all five boroughs.

Mayor Bloomberg also has sought to increase access to private health insurance. In 2007, direct negotiation with insurance companies resulted in the offering of domestic

partner coverage by all major insurance companies in New York City's small group insurance market. My office also has worked to expand insurance brokers' awareness of, and quoting of, lower-cost health insurance options, including Healthy NY, the State-subsidized program for low-income workers, sole proprietors and qualifying small businesses. For example, we have added Healthy NY to HealthConnect, the online insurance quoting tool used by most brokers, and sponsored continuing education seminars where brokers learn about Healthy NY as well as public health insurance options. We are happy to report that during the last two and half years, New York City has experienced a 40 percent increase in enrollment in Healthy NY.[6]

Nonetheless, there are still approximately 1 million uninsured non-elderly adults in New York City[7], a number that is likely to grow as a result of the current recession. According to New York City Department of Health and Mental Hygiene's 2007 Community Health Survey data, young adults are the single most likely age group to be uninsured in the City: twenty-eight percent of young adults 19 to 25 are uninsured,[8] and a quarter of young adults remain uninsured up to age 35. It is not until ages 36 to 45 that the uninsured rate drops below 20 percent in the City.[9]

Looking at the profile of young adults in New York City and their health insurance coverage reveals a number of disparities and suggests some of the reasons so many young adults are uninsured.

- Overall, there are 1.8 million young adults, 19 to 35 years of age in New York City. Most are employed and have incomes at or above 200 percent of the Federal Poverty Level (FPL). There are about as many men as women and approximately as many living in households with children as without. About 33 percent of young adults are Hispanic, 30 percent are White, 23 percent are Black and 12 percent are Asian.[10]

- In terms of health insurance, the majority of uninsured young adults in the City are employed (64 percent); many are lower-income, with incomes less than 200 percent FPL (51 percent); they are predominantly male (63 percent); and many are Hispanic (54 percent).[11]

- Some segments of the young adult population are at much greater risk for being uninsured than others. Disparities in health insurance coverage can be seen along employment, income, sex, and racial/ethnic lines.[12]

  - Young adults who are not employed are much more likely to be uninsured (42 percent vs. 22 percent) and much less likely to have private coverage (18 percent vs. 63 percent) than their employed counterparts.[13]

  - Those with lower-incomes are also much more likely to be uninsured (37 percent vs. 13 percent) and much less likely to be privately insured (21 percent vs. 79 percent) than those at or above 200 percent FPL.[14]

- Young adult males are much more likely to be uninsured (31 percent vs. 18 percent) and much less likely to have public coverage (15 percent vs. 29 percent) than females.[15]

- Nearly 40 percent of Hispanic young adults are uninsured and only 33 percent have private coverage. In contrast, 76 percent of White non-Hispanics, 51 percent of Black non-Hispanics and 53 percent of Asians have private insurance.[16]

Overall, young adults are at great risk of being uninsured for three main reasons: changes in private and public health insurance eligibility rules when they reach age 19; a lack of access to employer-sponsored insurance; and the high cost of individual/direct pay health insurance.

Let me quickly walk through the available coverage options and barriers to insurance for young adults.

First, in New York City, the uninsured rate jumps from 8 percent for children[17] to 25 percent for young adults.[18] This jump is due, in part, to the fact that when young adults reach age 19, they are no longer eligible for public health insurance for children. Under Child Health Plus, they can get coverage if their family income is up to 400 percent FPL. There are a few instances where young adults with higher incomes can access public

benefits, such as the Family Planning Benefit Program. In general, however, eligibility for public coverage drops to 100 percent FPL for childless adults and 150 percent FPL for parents. Undocumented young adults, those without legal immigration status, face even greater barriers to coverage. While undocumented children are eligible for Child Health Plus up to age 19, undocumented young adults are not eligible for public health insurance, regardless of their income. Only undocumented pregnant women and persons permanently residing under the color of law (PRUCOLs) are eligible for public coverage. Medicaid also pays for emergency medical care for undocumented adults.

Similarly, after age 19, most private insurers' eligibility rules change.[19] The majority of insurers in New York City do not allow young adults to remain as dependents on their parents' plan past age 19, unless they are full-time students. Once they turn 23, students usually become ineligible for dependent coverage as well.

Second, while most adults get coverage through their jobs, the jobs available to young adults 19 to 29 years old are typically lower-wage and offer fewer benefits.[20] National data show that low-wage workers are more likely to be uninsured.[21] This is particularly important in New York City where there are 860,000 full-time workers who are considered low-wage (earning $11/hour or less which corresponds roughly to 125 percent of the FPL for a family of four), and 400,000 of them are uninsured.[22] As new workers in the labor force, young adults also tend to be employed by small businesses and, especially low-income young adults, work in industries such as hospitality, food service or entertainment that have high uninsurance rates.[23,24] They also often face waiting

periods or are employed in temporary or part-time positions where they are not eligible for coverage even if the employer offers it.[25] A survey of low-income 19 to 29 year old young adults found the vast majority did not have access to job-based coverage, and when they did, only 16 percent declined the coverage, primarily because they could not afford it.[26]

Third, young adults needing to seek coverage on their own have few affordable options. Healthy NY is an option for eligible lower-wage workers and sole proprietors with incomes up to 250 percent FPL. In addition, freelancers and part-time workers in certain industries can access lower-cost plans through associations, such as Freelancers Union.

However, not all young adults qualify for these lower-cost plans, and health insurance in the individual/direct pay market is too expensive for most young adults. Half (51 percent) of uninsured young adults have lower incomes (less than 200 percent FPL or less than $1,805 a month).[27] Single premiums for individual/direct pay health plans in New York City range from $752 to $2,676 a month, or about 42-148 percent of these young adults' monthly income. For families at the same income level, the cost of family coverage is much higher, consuming 71-226 percent of their monthly household income.[28, 29]

Before I discuss opportunities for increasing access to coverage for young adults, let me acknowledge that the problem of the uninsured is a national problem. Hopefully, as we speak, long-term solutions are being developed that will involve Federal and State

governments as well as the private sector. Mayor Bloomberg has called on the Federal government to address health care reform urgently and has voiced his support for the Obama Administration's health reform principles, which include aiming toward universal health insurance coverage.

Yet even as these reforms are being developed, New York City is working to improve access to coverage for young adults.

Through HealthStat, my office continues to facilitate the enrollment of eligible uninsured adults into public health insurance on select CUNY campuses. In conjunction with CUNY, we developed a health insurance tutorial for students and are currently working closely with the health professionals and student health advocates on each campus to better understand the health insurance needs of their students and improve enrollment of those eligible into publicly financed coverage.

The City also has worked to make public coverage readily available to adults, including young adults, through the internet. ACCESS NYC allows residents to screen themselves and start an application for public coverage online. HRA is also working jointly with the City's HHS-Connect initiative to offer an on-line public health insurance option for renewal.

This summer, HRA will launch a new website developed by my office, *NYC Health Insurance Link*, which will be an important resource for young adults. Many young

adults are not aware of their health insurance options, limiting their ability to make informed choices about which plans are most affordable. *NYC Health Insurance Link* will educate them on their options. It will allow them to find and compare health plans that they may be eligible for, including lower-cost plans like Healthy NY. They can learn which insurers allow parents to keep their children on their health plan through age 25. And they will learn about ways to make private insurance more affordable by pairing it with public coverage for children or by enrolling in the Family Health Plus premium assistance program, which helps low-wage workers pay for job-based coverage. The website will also include information on health care resources, such as HHC Options, a program that provides uninsured residents who are not eligible for public health insurance with access to free or reduced-cost care. Once the new website is launched, my office will expand our outreach efforts to include web-based outreach, such as marketing on websites that serve young adults and their employers.

Looking ahead, as Federal health reform and the State's own reform initiative, the NYS Partnership for Coverage, take shape, I want to briefly mention a few items likely to be on the Federal and State agendas that could help make coverage more accessible to young adults.

Let me start by mentioning an important consideration of health reform, which is the role of personal responsibility in reducing the numbers of uninsured. Clearly, one of the primary goals of comprehensive health reform is to ensure the maximum number of people obtain affordable coverage. When segments of the population are left out, such as

young adults, it adversely affects everyone, making the health insurance markets less efficient and creating an added drain on public resources. In addition to making coverage more affordable, educating young adults about the value of health insurance can enable them to make informed choices about coverage. Finally, recognizing the budgetary and fiscal constraints that exist, safeguards should be in place to ensure that limited public dollars are available and reserved for those truly in need.

Now, let me raise a few reform items particularly relevant for young adults in New York City.

First, there is an emerging consensus that changes are needed to New York's individual/direct pay health insurance market.[30] As it exists now, the individual market is not accessible for most uninsured residents. There are a number of proposals on the table for reforming this market to make it more affordable. In considering these reforms, it will be important to ensure that they protect access to affordable coverage for older and less healthy individuals as well as young adults in need of individual coverage.

Second, earlier this year, Governor Paterson said he will introduce legislation to allow young adults to remain on their parents' health plan up to age 29, with the full cost to be paid by parents.[31] Depending on the specifics of the proposal, this legislation could potentially expand coverage among young adults entering the labor market who do not have access to employer-sponsored coverage. At a minimum, the State should encourage

insurers to treat young adults equally and permit them to remain on their parents' health plans through age 25, regardless of their student status.

Third, there is a need to increase access to coverage for undocumented workers among the young adult population. Undocumented workers, of whom there are approximately 400,000 in New York City, are a substantial and significant segment of the workforce.[32] With the exception of the treatment of an emergency condition and two groups (pregnant women and persons permanently residing under the color of law (PRUCOLs)), undocumented residents are not eligible for public coverage. Increasing access to private insurance is necessary to reduce the number of uninsured, especially young adult, undocumented workers.

Finally, for very low income young adults, private coverage may never be affordable. At a minimum, Family Health Plus should be expanded to align income levels for childless adults and parents to help cover uninsured young adults very near poverty.[33]

Thank you once again for the opportunity to testify today about health insurance options for young adults. I welcome any questions you may have at this time.

Overview: Private and Public Insurance Coverage Rules for Young Adults

	Private insurance	Public coverage for children (Medicaid + Child Health Plus)	Public coverage for adults (Medicaid Healthy NY + Family Health Plus)	Healthy NY
Children (under 18)				
	Children can be included on family plans.	Children can be covered up to 400% FPL ($6,104 for 2-parent, 1 child family of 3)	N/A	Children in families with up to 250% FPL can be covered ($3,815 for 2-parent, 1 child family of 3)
Young adults (19-35 year olds)				
In School	*Individual/direct pay market:* • 6 insurers allow young adults up to age 23 to be included on family plan • 2 insurers allow coverage up to age 25 *Small group market:* • 2 insurers up to age 23 • 9 insurers up to age 25	N/A	• Up to 100% FPL for a childless adult ($903 income) • Up to 150% FPL for parents ($2,289 income for 2-parent, 1 child family of 3)	• Up to 250% FPL ($2,257 for a childless adult; $3,815 for 2-parent, 1 child family of 3)
Not in School	*Individual/direct pay market:* • 7 insurers allow young adults up to age 19 to be included on parents' plan • 1 insurer allows coverage up to age 25 *Small group market:* • 10 insurers allow coverage up to age 19 • 1 insurer allows coverage up to age 25	N/A		

Note: This chart is for illustrative purposes only.
Source: NYC Human Resources Administration Office of Citywide Health Insurance Access: Interviews with Insurance Carriers, February 2009; Income based on 2009 NYS Income and Resource Standards and Federal Poverty Levels, Effective 04/01/09.

Table 1: NYC Individual/Direct Pay Health Insurance Rates, April 2009

Monthly Premium Rates for Individual and Family Insurance		
Individual		
	Low	High
HMO	$752.63	$2,230.08
POS	$1,178.68	$2,676.16
Family		
	Low	High
HMO	$2,152.99	$5,686.71
POS	$3,500.72	$6,824.18

Source: New York State Insurance Department, New York County Premium Rates For Standard Individual Health Plans, April 2009

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[3] Human Resources Administration's Office of Data Reporting and Analysis: HRA Facts Report. January 2009.

[4] NYSDoH: CHP-B Monthly Enrollment Reports. January 2009.

[5] City of New York Human Resources Administration Enrollees: January 2002 and January 2009, HRA Office of Data Reporting & Analysis; and New York State Department of Health (NYSDOH): CHP-B Monthly Enrollment Reports: January 2002 and January 2009.

[6] OCHIA calculation based on NYS Department of Insurance enrollment data.

[7] OCHIA analysis of New York City Department of Health and Mental Hygiene's Community Health Survey data for 2007. (Data unpublished).

[8] OCHIA analysis of New York City Department of Health and Mental Hygiene's Community Health Survey, data combined for 2007 and 2006 (Data unpublished).

[9] OCHIA analysis of New York City Department of Health and Mental Hygiene's Community Health Survey data for 2007. (Data unpublished).

[10] OCHIA analysis of New York City Department of Health and Mental Hygiene's Community Health Survey data for 2007. (Data unpublished). Numbers may not add to 100 due to rounding, missing data or sample sizes too small to produce reliable estimates.

[11] OCHIA analysis of New York City Department of Health and Mental Hygiene's Community Health Survey data for 2007. (Data unpublished).

[12] OCHIA analysis of New York City Department of Health and Mental Hygiene's Community Health Survey data for 2007. (Data unpublished).

[13] OCHIA analysis of New York City Department of Health and Mental Hygiene's Community Health Survey data for 2007. (Data unpublished).

[14] OCHIA analysis of New York City Department of Health and Mental Hygiene's Community Health Survey data for 2007. (Data unpublished).

[15] OCHIA analysis of New York City Department of Health and Mental Hygiene's Community Health Survey data for 2007. (Data unpublished).

[16] OCHIA analysis of New York City Department of Health and Mental Hygiene's Community Health Survey data for 2007. (Data unpublished).

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[27] OCHIA analysis of New York City Department of Health and Mental Hygiene's Community Health Survey data for 2007. (Data unpublished). Income amount provided reflects 2009 NYS Income and Resource Standards and Federal Poverty Levels. Effective 04/01/09.

[28] NYS Insurance Department, New York County Premium Rates for Standard Individual Health Plans, April 2009

[29] New York City Human Resources Administration, Department of Social Services, 2009 NYS Income and Resource Standards and Federal Poverty Levels, April 2009; Family income based on 2-Parent, 1 child family at 200 percent FPL.

[30] See, for example, NYSHeath Conference: Reforming New York's Individual Health Insurance Market. NYS Health Foundation, November 17, 2008. Conference presentations and reactions available here: http://www.nyshealthfoundation.org/section/november_conference

[31] David A. Patterson, Governor. State of the State Address 2009 – "Our Time to Lead". January 7, 2009. Available at: http://www.ny.gov/governor/keydocs/speech_0107091.html. Accessed on March 20, 2009.

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[33] OCHIA testimony before NYS Partnership for Coverage, November 2, 2007. At the time of the testimony, family health plus eligibility for parents was 150% FPL; the recently enacted state budget raises this level to 160% FPL.

Testimony of Lois J. Uttley, MPP
Chair, Policy and Legislative Committee
Public Health Association of NYC (PHANYC)
Before the New York City Council Health Committee
April 23, 2009

The Public Health Imperative of Insuring Young Adults

Good afternoon. Thank you for the opportunity to present testimony on the subject of health insurance options for young adults. My name is Lois Uttley. I am here representing the Public Health Association of New York City (PHANYC), as chair of that organization's Policy and Legislative Committee. PHANYC and the American Public Health Association, with which we are affiliated, are both strong and active supporters of expanding health insurance coverage to all Americans.

Today, I want to discuss the public health imperative of providing quality, affordable health insurance options for young adults. We are doing a much better job as Americans, and as New Yorkers, in making sure our young children have health insurance. The recent re-authorization of the Children's Health Insurance Program (CHIP) is another important step in this progress. But once these children turn 19, they "age out" of CHIP. For children from families with health insurance, a similar "aging out" occurs and they lose eligibility for dependent health insurance through their parents. When it comes to health insurance, we as a society turn our backs on our children when they become young adults.

The results are not surprising. Young adults (ages 19 to 29) have the highest rate of un-insurance of any age group: more than 30 percent nationwide and about 28 percent in New York State. New Yorkers aged 19 to 29 are twice as likely to be uninsured as are older adult New Yorkers (ages 30 to 64). [1]Disproportionately uninsured are those young adults living in poverty or near-poverty, and those who are African-American and Hispanic. Young adults also suffer from under-insurance. Insurers market plans to young adults that appear attractive, because they have relatively low premiums. But these plans have bare-bones coverage that does not provide the routine primary health care they need and includes restrictions that can leave young people with huge medical bills for treatment of serious injuries or illness.

Public Health Consequences

What are the public health consequences when our young adults have no or inadequate health insurance, just when they are starting college, beginning their work lives, forming personal relationships and, in some cases, beginning to have children? There are many.

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[1] 2008 Current Population Survey, U.S. Bureau of the Census.

A recent Commonwealth Fund analysis[2] found that 54 percent of uninsured young adults did not see a doctor or go to a clinic when they had a medical problem, compared to only 18 percent of those who had health insurance. That same study found that 41 percent of uninsured young adults did not fill prescriptions they were given, and 40 percent skipped recommended medical tests, treatment or follow-up.

What happens when you avoid or delay treatment because you cannot afford it? Sometimes you get lucky, and you recover. But, more often your problem gets worse. You may go to school or work while you are still sick, and pass infectious diseases like the flu or strep throat along to your classmates or co-workers, or to people you sit next to on the subway. Or, you may decide to stay home, and then find yourself fall behind in your class work or getting in trouble with your boss. If you have tried to ignore a serious acute or chronic health problem, you may end up in the emergency room.

Now, let's think about the kinds of preventive, acute and chronic health care young adults need most. This group has a high rate of exposure to sexually-transmitted diseases and of unintended pregnancies. It is also the age range in which people are experimenting with drugs and abusing alcohol. Let's not forget mental health problems, such as depression and anxiety.

Increasing incidence of obesity among young people is leading to health problems that need intervention as early as possible. Nearly 30 percent of New York City residents ages 18 to 39 are overweight and 9 percent are obese, according to a recent New York City Community Health Survey. [3] This condition is leading to earlier onset of Type 2 diabetes, which historically had been found to appear when patients enter their 40s.[4] Being overweight or obese prior to pregnancy also increases the likelihood that a woman will develop gestational diabetes during the pregnancy.

Problems with Current Health Insurance Options

How are we presently attempting to provide health insurance coverage to young adults, to help them cope with this constellation of health concerns? I want to focus on two particular health insurance options:

1) **Dependent coverage through parents' policies:** Under current law in New York, children may only remain on their parents' health insurance policies until age 23. This limit is lower than in neighboring states such as Connecticut, where the age limit is 26, and New Jersey, where the limit is age 30.[5] We strongly support the intent of Governor Patterson's forthcoming proposal to raise the age to 28. We do have a problem with his idea to allow "age-rating" of this insurance,

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[2] J. L. Kriss, S. R. Collins, B. Mahato, E. Gould, and C. Schoen, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update, The Commonwealth Fund, May 2008. The Commonwealth Fund Biennial Health Insurance Survey, 2007.

[3] "One in six NYC Adults is Obese," published in NYC Vital Signs, the New York City Department of Health and Mental Hygiene, July 2003.

[4] "Diabetes in New York City: Public Health Burden and Disparities," New York City Department of Health and Mental Hygiene, 2006.

[5] Barber, Christine, "Expanding Coverage for Dependents," Community Catalyst, 2009.

a departure from New York's "community rating" system, as will be discussed in more depth by a speaker from Health Care for All New York. We hope that issue can be addressed.

We recognize, however, that this proposal will help only a subset of all young adults in New York. What about those young people whose parents do not have health insurance coverage, or cannot afford to include their young adult family members? And what about those who will lose the coverage as their parents lose jobs in this struggling economy?

2) **College health plans:** About 20 percent of full-time students ages 19 to 23 nationwide rely on college-sponsored health insurance. These plans can provide temporary coverage for those students who are eligible (usually full-time or almost full-time) and can afford them. But often, college plans are flawed.

   An example is the CUNY Plan offered through GHI. There are a number of very positive aspects to this plan, such as full coverage for an annual physical and for maternity care, as well as discounts on exercise and nutrition programs. The plan is also in effect over the summer, when students are not attending classes, unlike some other college health insurance. But there are several serious problems:

   a. First, there is a clause denying coverage for 11 months for pre-existing conditions. Specifically, the plan states: "There will be an eleven-month waiting period for benefits for any condition, disease or symptom for which medical treatment or advice was recommended or received within the six-month period prior to the enrollment date. There will be no coverage for **preexisting** conditions during this waiting period." So, although the plan states that diabetes management care is "covered in full," a student with pre-existing diabetes would not be entitled to this care until nearly a year after joining the plan.
   b. There is no coverage for dental or vision care.
   c. The co-pays are large for someone who is a full-time student, or working her way through college. For example, the co-pay for a hospital visit is $150. A visit to a doctor's office is $27.
   d. The cost of the premium itself. For a single individual, it is $665 per quarter, or $221 per month. Even that can be far too expensive for students with barely any income, as you will hear in testimony from Jessica Silk, a public health student in the CUNY system. The cost of covering a student and his/her young family is even higher: $1,895 a quarter for family coverage, or more than $630 a month!

Even this somewhat problematic plan is better than nothing. Those students who are working their way through school, taking just one or two courses at a time while working full-time, often are not eligible to enroll in these college plans. Students who are pursuing technical or vocational careers are also frequently unable to obtain health insurance through their schools. For example, Berkeley College, a business-oriented

school with seven locations in New York and New Jersey, told a young intern calling from our office this morning that it does not offer health insurance to its more than 7,000 students.

Conclusions and Recommendations

The Public Health Association of New York City is strongly supporting state and national efforts to achieve quality, affordable health care for everyone. That should be our goal. There are glimmers of hope in Washington this spring that we may be able to make significant progress toward this goal in 2009. We urge the City Council's Health Committee to actively monitor state and national health reform efforts and support those proposals that will improve the health of New Yorkers.

In the meantime, however, we offer the following suggestions about improving health insurance options available to young adults in New York. We urge the City Council to support these recommendations:

1. Raise the age to which New Yorkers can stay on their parents' health insurance policies from the current 23 up to 28, as will be proposed by Governor David Patterson.
2. Work to improve the availability, quality and affordability of college health insurance plans. At minimum, such plans should be prohibited from refusing or delaying coverage for pre-existing conditions. Minimum standards for meaningful coverage should be adopted. Vocational and technical schools should be encouraged to offer health insurance to their students.
3. As recommended by Health Care for All New York, of which PHANYC is a member, open up the existing Family Health Plus Buy-in program to offer comprehensive coverage to young adults at an affordable rate.

Thank you for the opportunity to present this testimony.

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Community Service Society
New York City Managed Care Consumer Assistance Program
Health Care For All New York

Testimony before the New York City Council

on

"Oversight – Health Insurance Options for Young Adults"

New York, NY
April 23, 2009

Presented by:

Arianne Garza, MPA
Health Policy Analyst
Community Service Society

Good afternoon. My name is Arianne Garza and I am testifying today on behalf of the Community Service Society of New York ("CSS") – a leading voice on behalf of low-income New Yorkers for over 160 years. Our mission is to identify issues that underlie poverty in New York City and to advocate for the systemic changes required to ensure the economic security of the working poor and moderate income residents in our nation's largest city. In doing so, we seek to bring their voices and experiences into the policy conversation. Assuring access to health care is a central focus of our work.

An integral part of CSS is our New York City Managed Care Consumer Assistance Program, which I am also representing here today. This program is funded by the NYC Council and administered by CDOHMH. It provides health care assistance to New Yorkers in the 5 boroughs. We help clients get, manage and keep their health insurance coverage whether it is Medicaid, Medicare, Child Health Plus or Commercial insurance. The network works with 26 agencies and provides services in over 12 languages.

I am also representing the Health Care For All New York campaign ("HCFANY"), of which CSS is a founding member. HCFANY is a state-wide coalition of over 70 organizations dedicated towinning affordable, comprehensive health care for all New Yorkers. Together, we work to bring the voices of everyday New Yorkers into the health reform debate.

Lastly, I am also testifying on behalf of myself – a young adult, and a New Yorker.

I. Understanding the Issue: Young Adults Have Few Options for Affordable, Comprehensive Health Insurance in New York.

The term "young adults," in the general sense, refers to people between the ages of 19 and 29 years old – that tumultuous period between high-school graduation (if you made it that far), college (if you can afford it), job transitions, and the age at which you should– in a perfect world and thriving economy – be settled into a "career." Currently, there are 808,302 uninsured young adults in New York between the ages of 19-29 – making up nearly one-third (31%) of all of the uninsured in the state.[1] Young adults in New York State are nearly twice as likely to be uninsured than adults aged 30-64.[2]

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[1] US Bureau of the Census, 2008 Current Population Survey, Annual Social and Economic Supplement, weighted by 2006-2008 CPS ASEC blend.

[2] 28% of young adults aged 19-29 are uninsured in New York, compared to only 15% of adults aged 30-64. Source: US Bureau of the Census, 2008 Current Population Survey, Annual Social and Economic Supplement, weighted by 2006-2008 CPS ASEC blend. This lack of affordable, comprehensive health care is already taking its toll on the health and well-being of young adults. A 2007 survey from the Commonwealth fund found that 66% of young adults (19-29) who had been uninsured at some point in the past year had gone without needed health care because they could not afford to pay for it - 41% did not fill a prescription, 32% did not see a specialist, 40% skipped a medical test, treatment, or follow-up, 54% had a medical problem but did not go to a doctor or a clinic, 66% had any of these problems. Even of those

The reasons for this, in New York and the rest of the nation, are generally two-fold:

- Family coverage under employer-sponsored insurance (ESI) typically only covers dependent children until the age of 19, or 23 if they are enrolled in college. Once they surpass this age they are on their own to find affordable coverage. With health insurance premiums rising 7.3 times faster than median worker earnings, this can prove to be a difficult task.[3]

- Young adults are more likely to be low-income and have entry-level, low-paying, or temporary jobs. With the minimum wage now at $7.15 per hour, the majority of those working full-time are less likely to qualify for government benefits like Medicaid or Family Health Plus. However, they are also less likely to work for a company that offers health benefits, or to be eligible for those benefits. Nationally, only 53% of young adults 19-29 who are working full or part time are eligible for coverage by their employers, compared to 74% of adults aged 30-64.[4]

There are relatively few options available for uninsured young adults to obtain health coverage on their own, if their employer does not offer it at an affordable rate:

1. Direct-pay market: Every New Yorker, regardless of race, gender, age, health status, or citizenship status has the option of purchasing comprehensive health insurance on the direct-pay market – provided they can afford it. In New York County, individual policies average slightly more than $1,000 month, with the cheapest plan around $750 per month.[5] For a young adult making around $30,000 per year, this would take up about 28% of their pre-tax income (see Table 1). For a young adult working full-time at minimum wage, this would be around 66%.

   There are, of course, bare-bones catastrophic-only plans available at an affordable rate. A quick scan of ehealthinsurance.com for a 25 year-old non-smoking female living in Williamsburg found me a single indemnity plan, for $150 per month, which would cover no single aspect of my medical care with the exception of an emergency hospitalization. For an additional $320 per month, I could get the same catastrophic plan with prescription drug coverage. Neither of these plans would cover the basics of simple preventative care, like an annual Pap test, or routine outpatient visits for things like strep throat, chronic asthma, or minor sports injuries.

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who were insured all year, 34% were not able to get the care they needed due to cost. Based on The Commonwealth Fund Biennial Health Insurance Survey 2007 (Unpublished). See: Kriss, J.L., S.R. Collins, B. Mahato, E. Gould, and C. Schoen, "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update," The Commonwealth Fund, May 2008.

[3] Families U.S.A., "Premiums vs. Paychecks: A Growing Burden for New York's Families." October 2008.

[4] Based on The Commonwealth Fund Biennial Health Insurance Survey 2007 (Unpublished). See: Kriss, J.L., S.R. Collins, B. Mahato, E. Gould, and C. Schoen, "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update," The Commonwealth Fund, May 2008.

[5] New York State Department of Insurance, Premium Rates for Standard Individual Health Plans, New York County, April 2009. Available at http://www.ins.state.ny.us/hmorates/html/hmonewyo.htm.

2. Healthy NY: Individuals earning less than $27,000 per year (250% of the Federal Poverty Level) who are not eligible for ESI may be able to buy coverage under the state's Healthy NY program. The program offers both basic and high-deductible health plans. It is undeniably cheap, compared to the direct-pay market – a basic plan with drug coverage in New York County averages $310 per month (or 11% of pre-tax earnings for an individual earning $30,000), and the cheapest of the cheap – the high-deductible health plan with no drug coverage – averages $200 per month. However, like anything else, you do get what you pay for. In this case – very little. All of the plans have limits on pre-existing conditions such as asthma, diabetes, cancer, or even pregnancy. None of the plans cover things like mental health services, ambulance, substance abuse treatment, durable medical equipment, or dental or vision, and you're only allowed one physical exam every three years. If you happen to need prescription drug coverage, Healthy NY will give you an annual benefit maximum of $3,000 – which won't do you any good if you happen upon a serious illness or injury. The high-deductible health plans offer the same coverage, but with a $1,150 annual deductible (which co-pays do not count towards). In a nutshell, Healthy NY is only a good option for those who are lucky enough to remain healthy throughout the duration of their enrollment in the program.

3. Student Health Plan: Students enrolled in college usually have the option of purchasing health insurance at a discounted student rate, sometimes with benefit limits, and usually without vision or dental benefits. At New York University, a basic plan will cost $1,388 for the entire year (or an affordable $115 per month).[6] The catch, of course, is that this plan has a *lifetime* maximum benefit of $250,000, and an annual maximum benefit of $1,250 for prescription drugs – neither of which will do much good for anyone who gets seriously sick of injured. At CUNY, individuals are offered plans at $665.10 per quarter ($221 per month, or 8% of pre-tax earnings for an individual earning $30,000), but, like Healthy NY, this plan limits coverage on any pre-existing conditions.

4. Remain uninsured: For the majority of young adults who do not have the option of affordable coverage through an employer, cannot afford coverage on the direct-pay market, are not eligible for Healthy NY, and are not enrolled in college – the only real option is to remain uninsured, eat your vegetables, look both ways before crossing the street, hope for the best – and pray that you can depend on hospital charity care in the event of the worst.

[6] New York University, Student Health Insurance Brochure 2008-2009, available at: http://www.nyu.edu/shc/pdfs/insurance_who_what_when_08-09.pdf

Table 1- Percent of Pre-Tax Income Consumed By Different Health Insurance Options in New York City

Federal Poverty Level	Monthly Pre-tax Income	Single Adult		
		Direct Pay	Healthy NY (Basic w/drug)	Student Plan (CUNY)
100%	$903	83%	34%	24%
200%	$1,805	42%	17%	12%
300%	$2,708	28%	11%	8%
400%	$3,610	21%	9%	6%
500%	$4,513	17%	7%	5%
600%	$5,415	14%	6%	4%

Source: CSS Analysis, April 2009

II. Why Young Adults Need Affordable, Comprehensive Health Insurance

In recent years, the health insurance industry has taken it upon itself to re-christen this population of young adults as "young invincibles." This term seems to embody a hearty population at a peak physical state with little risk for illness or injury – perfect for the types of stripped-down insurance products currently on the market for them. Yet, the reality is that young adults have the same need for preventative health services as other age groups and have the highest rate of injury-related emergency room visits.[7]

In fact, according to a recent national report released by the Centers for Disease Control and Prevention:

- Obesity rates among young adults have tripled since the early 1970's. In 2006, nearly 1 in 4 (24%) young adults was obese.
- As of 2006, almost 1 in 3 (29%) of young adult males and 1 in 5 (21%) young adult females were cigarette smokers.
- In 2004-2006, nearly 1 in 5 (18%) young adult women and more than 1 in 10 (12%) young adult men reported having been told by a doctor that they have at least one of the following conditions: cancer, asthma, diabetes, hypertension, heart disease, or arthritis. 5% of young adults reported an activity limitation due to a chronic health condition.
- In 2005, unintentional injuries, homicide, and suicide accounted for 70% of all deaths among young adults. 75% of these deaths occurred among young men.
- In 1999-2004, nearly 1 in 10 (9%) young adults had major depression, generalized anxiety disorder, or panic disorder within the past 12 months.[8]

[7] Centers for Disease Control and Prevention, "Health, United States, 2008: With a Special Feature on Young Adults," March 2009. Available at: http://www.cdc.gov/nchs/data/hus/hus08.pdf#listfigures

[8] Centers for Disease Control and Prevention, "Health, United States, 2008: With a Special Feature on Young Adults," March 2009. Available at: http://www.cdc.gov/nchs/data/hus/hus08.pdf#listfigures

Clearly, young adults are not "invincible." While a youthful population is generally healthier than an older population, youth alone cannot protect young adults from all illness or injury, or the skyrocketing costs associated with them, nor will it prevent them from developing potentially avoidable future conditions.

There is also a common misconception – perhaps fueled by the "young invincible" label – that young adults do not purchase insurance because they do not *want* it or do not think they need it. While this mentality may pertain to a small percentage of this population, according to a recent CSS poll a majority of young adults in New York said that health care and prescription drugs was their top personal worry – particularly, not having health insurance.[9] Health care and prescription drugs were also the top issue they wanted their state officials to address.

CSS's poll also found that across the state, 50% of young adults report that they receive health coverage from their employers. Of those who do not receive it – 73% reported it was because either their employer did not offer it or they were ineligible. Of those who were eligible but did not take it, 96% reported it was because they were already covered by other health insurance. In New York City alone, 930 of those seeking assistance from our MCCAP program were young adults.[10] The majority of those calling did so because they needed help finding or keeping their health insurance.

This evidence is not indicative of a population who does not *want* insurance or worry about their health. It is just the opposite. Young adults *want* and *need* access to quality, comprehensive health care. The majority simply do not have any affordable options available to them. Likewise, settling for one of the cheap, bare-bones "young invincible" plans currently marketed towards young adults can end up providing little more than a false-sense of security for those who purchase it, as most are designed under the false assumption that the enrollee will be, well, "invincible."

For those that do seek the care they need – with or without insurance – the high cost of health care and limited benefit plans can wreak financial havoc. Young adults currently have the highest level of average credit card debt compared to other age groups and for those with medical debt, these balances can be up to 79% higher.[11] Likewise, more than a third (35%) of young adults – with or without insurance – report having problems with medical bills.[12]

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[9] For adults 18-29. CSS Statewide Health Survey, November 2007.
[10] This information is based on clients from July 2006 to March 31, 2009.
[11] Zeldin, C. and M. Rukavina, "Borrowing to Stay Healthy: How Credit Card Debt is Related to Medical Expenses," Demos and The Access Project, 2007.
[12] Based on The Commonwealth Fund Biennial Health Insurance Survey 2007 (Unpublished). See: Kriss, J.L., S.R. Collins, B. Mahato, E. Gould, and C. Schoen, "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update," The Commonwealth Fund, May 2008.

III. How to Address This Issue in a Healthy Way

There have been two recent initiatives to address this issue at the state level. The first attempt, Senate Bill 8357 (the "young invincibles" bill), favored an inadequate benefit package in the absence of quality health reform. This product would have falsely assured enrollees that they had adequate coverage when in fact it failed to even include pharmacy and other basic benefits. This bill was rightly vetoed by Governor Paterson last fall.

The second initiative comes from Governor Paterson himself as announced in this year's State of the State address. Within the next few weeks, Governor Paterson is set to release legislation to allow young adults to remain on their parent's employer-sponsored plans until the age of 29 (regardless of if they attend college). This would resemble a COBRA benefit in that the families, not the employers, would be responsible for the full premium. This program would be acceptable if it were it not for one small detail in the Governor's proposal, which seeks to "age-rate" these young adults in order to offer them coverage at a lower price.

New York is one of the few states that has "pure community rating" which means that all of us must be treated the same by an insurance company, no matter our age or disability. This means that small employers are not charged more to provide insurance for older workers, women, or people who have health problems. Permitting age rating will change this by allowing insurers to prioritize profits over people by offering cheap policies to younger people, but making policies for those of us who are 30 and older much more expensive.

Governor Paterson's proposal to re-introduce rating by risk which would be a dangerous move for New York's health insurance consumers and could put a significant strain on the already stressed small-business community. Yet, if the State took steps to make quality, affordable health insurance available to *all* individuals who don't have employer coverage, re-introducing age-rating, with all its hidden costs and unintended effects, would not be necessary.

With this in mind, CSS and HCFANY would like to recommend the following "healthier" alternatives for extending affordable, quality health care to New York's young adults:

- Amend the current law, which allows parents to keep their kids on their policies to until the age of 23, to allow parents to keep their kids on their existing policies until the age of 28.
- Utilize the existing Family Health Plus Buy-in program to offer comprehensive coverage to young adults, at an affordable rate. This program currently allows employers and Taft-Hartley (union) funds to offer health coverage for their employees through an expansion of the state's Family Health Plus program. Expanding this buy-in program to young adults would allow them to get comprehensive health benefits (including both inpatient and outpatient services, lab, radiology tests, prescription drugs, and mental

health and substance abuse services) on a much more affordable scale than currently exists on the market.

On behalf of the Community Service Society, the New York City Managed Care Consumer Assistance Program, the Health Care for All New York Campaign, and myself, I would like to thank you for providing me with the opportunity to testify today.

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YOUNG AND VULNERABLE: THE GROWING PROBLEM OF UNINSURED YOUNG ADULTS AND HOW NEW POLICIES CAN HELP

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Invited Testimony
New York City Council
Committee on Health
Hearing on "Health Insurance Options for Young Adults"

April 23, 2009

The author gratefully acknowledges Jennifer Nicholson, Sheila Rustgi, Michelle Doty, and Cathy Schoen of the Commonwealth Fund and Bisundev Mahato of Columbia University for their contributions to this testimony. Much of this testimony is based on the Commonwealth Fund issue brief, *Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help* (May 2008) available at: http://commonwealthfund.org/Content/Publications/Fund-Reports/2008/May/Rite-of-Passage--Why-Young-Adults-Become-Uninsured-and-How-New-Policies-Can-Help--2008-Update.aspx

The views presented here are those of the author and not necessarily those of The Commonwealth Fund or its directors, officers, or staff.

Young and Vulnerable: The Growing Problem of Uninsured Young Adults and How New Policies Can Help

Sara R. Collins, Ph.D.

Executive Summary

Thank you, Mr. Chairman, members of the Committee, for this invitation to testify on health insurance options for young adults. The Committee is to be commended for exploring ways to stem the growing tide of uninsured young adults. Adults ages 19 to 29 are among the largest and fastest growing segment of the population without health insurance in the United States. There were 13.2 million uninsured young adults nationwide in 2007, according to the latest available Census data. There are an estimated 750,000 uninsured young adults in the state of New York out of approximately 2.6 million uninsured residents under age 65. Young adults are disproportionately represented among people who lack health insurance, accounting for nearly 30 percent of the 45 million uninsured people under age 65, even though they comprise just 15 percent of the population.

Why Do Young Adults Become Uninsured?

- The most gaping hole in our voluntary, employment-based health insurance system occurs when people do not have access to employer coverage and have incomes that are too high to qualify for Medicaid and the State Children's Health Insurance Program (SCHIP).
- The individual insurance market has proven to be a largely inadequate substitute for employer group coverage because of underwriting in many states and the fact that people face the full cost of the premium.
- Young people making the transition from childhood to adulthood fall into this gap in greater frequency than any other age group.
- Young adults are at risk of losing access to employer coverage or public insurance programs at two critical transition points: nineteenth birthdays or graduation from high school, and graduation from college.

Critical Transition Points: 19th Birthdays and High School Graduation

- Young adults covered as dependents on their parent's employer policies often lose their eligibility for that coverage at age 19 or graduation from high school, particularly if they do not go on to college. Among employers who offer coverage, nearly 60 percent do not insure dependent children over age 18 or 19 if they do not attend college.
- Similarly, Medicaid and SCHIP reclassify all teenagers as adults on their 19th birthdays. Most low-income young adults are ineligible for Medicaid, since eligibility for adults in most states generally is restricted to very-low-income parents or disabled adults.
- As a result of these public and private insurance rules, uninsured rates jump sharply at age 19, rising from 11 percent among children age 18 and under to 29 percent among those ages 19 to 29. Low-income young adults are particularly at risk of losing coverage: among those in families with incomes under poverty, more than half (51%) are uninsured, compared with about one of five (19%) low-income children age 18 and under.
- Young adults who enroll in college full-time when they graduate from high school are the most likely in their age group to have insurance coverage, primarily because they are able to maintain eligibility under their parents' employer's policies. Some full-time students also gain coverage through plans offered by universities or through the individual insurance market.
- According to an analysis of the Survey of Income and Program Participation (SIPP), among all young adults graduating from high school, three of 10 are uninsured for some time in the year following high school. Nearly 2 in 5 young adults who graduate from high school but do not go to college are uninsured for some time during the year following their graduation—more than twice the rate for young adults who attended college.
- For young adults entering the labor market without the benefit of a college education, the jobs available are those that are least likely to have health benefits—jobs that pay low wages, are with small companies, or are part-time or temporary.

Critical Transition Points: College Graduation

- Among young adults who go to college, the year following their college graduation also can be perilous with respect to health insurance coverage. Coverage available to them as students either through a parent's employer or a student health plan is lost upon graduation.
- As new entrants to the labor force, albeit with a college education, they confront hazards that reduce their likelihood of having coverage similar to those faced by high school graduates: waiting periods, temporary positions, lower-wage jobs, employment in small firms, and job turnover.
- Of those college students who graduated during 2001-2003, 34 percent were uninsured for at least part of the time in the year following graduation, with 13 percent uninsured for six months or more.

What are the Demographics of Uninsured Young Adults?

- By far, the young adults most at risk of lacking coverage are those from low-income households. Of all uninsured young adults ages 19-29, more than 7 in 10 (72%) have household incomes of less than 200 percent of poverty.
- Young adults in low income households are both more likely to experience some time uninsured and to go without coverage for long periods of time. In the analysis of the SIPP, 80 percent of young adults 19-23 with incomes under 200 percent of poverty level were uninsured for at least part of a three-year period; half (50%) were uninsured for 13 months or more.
- Nearly half of uninsured young adults are white. But Hispanics and African Americans are both at greater risk of being uninsured than white young adults: 36 percent of African Americans and 53 percent of Hispanics ages 19 to 29 are uninsured, compared with 23 percent of whites in that age range.
- Hispanics and African American young adults are at high risk of being uninsured at any time and for experiencing long spells without coverage. In the SIPP analysis, 82 percent of Hispanic young adults ages 19–23 were uninsured over a three year period

and 19 percent were uninsured for the entire time period, four times the rate of white young adults.

What are Consequences of Going Without Health Insurance for the Health and Economic Security of Young Adults and Their Families?

- While young adults are on average in better health than older adults, losing insurance disrupts their access to the health care system, introduces barriers to care when it is needed, and leaves young adults and their families at risk for high out-of-pocket costs in the event of a serious illness or severe injury.
- Health risks that are prevalent among young adults include:
    - Twenty-eight percent of 18–29 year olds are overweight, and 24 percent are obese. Over the past 30 years, obesity among this age group has increased three-fold.
    - There are 3.5 million pregnancies each year among the 21 million women ages 19 to 29.
    - One-third of all HIV diagnoses are made among young adults.
    - Injury-related visits to emergency rooms are far more common among young adults than they are among either children or older adults.
- The Commonwealth Fund Biennial Health Insurance Survey has consistently found that uninsured young adults are much more likely to go without needed care because of costs than are insured young adults: two-thirds of young adults ages 19–29 with a time uninsured in the past year, because of cost, either had failed to fill a prescription, not gone to a doctor or specialist when sick, or skipped a recommended medical test, treatment, or follow-up visit.
- The survey also found that uninsured young adults are far less likely than those with coverage to have a regular doctor: 2 in 5 uninsured young adults ages 19–29 had a regular doctor, compared with 4 in 5 of those who were insured all year.
- Nearly half of uninsured young adults in the Commonwealth Fund survey reported problems with medical bills including having trouble making payments, being contacted by a collection agency because of inability to pay bills, significantly

changing their way of life in order to pay medical bills, or paying off medical debt over time.

New Policies To Expand Coverage to Young Adults

- Federal or state action to expand affordable, comprehensive health insurance to all would help ensure that young adults would avoid gaps in their health insurance when they make the transition from childhood to adulthood.
- Massachusetts has led the nation on expanding health insurance to all and has included policies targeted to ensure that young adults stay enrolled.
- In addition, 25 states have passed legislation that increases the age of dependency for young adults for purposes of private insurance coverage. New ages of dependency range from age 24 in four states to age 30 in New Jersey. Governor Paterson has proposed increasing the age to 29 in New York. Sixteen states have settled on age 25. All but four laws apply to both non-students and students. In general, these laws apply to plans covered under state insurance regulations and thus do not apply to self-insured employers.
- In the absence of universal coverage at the federal level, three targeted policy changes would help cover more young adults:
    - **Extend eligibility for Medicaid/SCHIP public coverage beyond age 18.** This change would have by far the biggest impact on reducing the number of uninsured young adults. If extended to age 25, such a policy change could help the 3.6 million uninsured young adults ages 19 to 25 with incomes under 100 percent of poverty or the 7.6 million uninsured young adults ages 19 up to 25 with incomes under 200 percent of poverty.
    - **Extend eligibility for dependents under private coverage beyond age 18 or 19, as 25 states have done.** Increasing the age to 23 could cover an additional estimated 1.4 million unmarried, dependent young adults with parents who have employer-sponsored insurance, and increasing the age to 25 could cover 1.9 million unmarried, dependent young adults. If the benefit requirement were extended to all family policies, with the dependency age limit increased from 19 to 23, the average premium for

those plans is estimated to rise by about 3 percent. Because fewer young adults over age 23 would likely be covered under their parents' policies as they join the workforce and gain other coverage, increasing the age of dependency from 23 to 25 is expected to result in an additional premium increase of about 1 percent.

- **States could ensure that all colleges and universities require full-time and part-time students to have health insurance, and that they offer health insurance coverage to both.**

The persistent rise in the number of uninsured young adults each year reflects the spreading weaknesses in the United States' voluntary, employer-based health insurance system. As a country we depend nearly entirely on employers to provide health insurance to working age adults and indeed more than 160 million workers and their dependents are covered under employer-based health plans. But the unabated growth in health care costs of the last several years has made it increasingly difficult for many employers, particularly small employers, to provide affordable health insurance coverage to all their workers. New entrants to the labor force, particularly those with low wages or who are in temporary positions, are at high risk of not being offered health insurance by an employer or not being able to afford it when it is offered. It is imperative that the nation move affirmatively to address a situation that has become tragic for millions of families by expanding affordable and comprehensive health insurance coverage to everyone.

Thank you.

Young and Vulnerable: The Growing Problem of Uninsured Young Adults and How New Policies Can Help

Sara R. Collins, Ph.D.

Thank you, Mr. Chairman, members of the Committee, for this invitation to testify on health insurance options for young adults. The Committee is to be commended for exploring ways to stem the growing tide of uninsured young adults. Adults ages 19 to 29 are one of the largest and fastest growing segments of the population that lacks health insurance in the United States.[1] There were 13.2 million uninsured young adults nationwide in 2007, according to the latest available Census data (Figure 1).[2] There were 6 million young adults uninsured between the ages of 19–23 and more than 7.2 million uninsured between ages 24–29. There are an estimated 750,000 uninsured young adults in the state of New York out of approximately 2.6 million uninsured residents under age 65. Young adults are disproportionately represented among people who lack health insurance, accounting for nearly 30 percent of the 45 million uninsured people under age 65, even though they comprise just 15 percent of the population.

Why Do Young Adults Become Uninsured?

The most gaping hole in our voluntary, employment-based health insurance system occurs when people do not have access to employer coverage and have incomes that are too high to qualify for Medicaid and the State Children's Health Insurance Program (SCHIP). The individual insurance market—where just 6 percent of the under-65 population buys coverage—has proven to be a largely inadequate substitute for employer group coverage because of underwriting in many states and the fact that people

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[1] J. L.Kriss, S. R. Collins, B. Mahato, E. Gould, C. Schoen, *Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help* (New York: The Commonwealth Fund, May 2008).

[2] J. L. Nicholson, S. R. Collins, B. Mahato, et al., *Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help* (New York: The Commonwealth Fund, forthcoming May 2009).

face the full cost of the premium. Young people making the transition from childhood to adulthood fall into this gap in greater frequency than any other age group. Only 3.8 million, or 8.4 percent of young adults 19–29, have coverage through the individual market, 62 percent of whom are 19–23.[3] Young adults are at risk of losing access to employer coverage or public insurance programs at two critical transition points: nineteenth birthdays or graduation from high school, and graduation from college.

Graduation from high school. Young adults covered as dependents on their parent's employer policies often lose their eligibility for that coverage at age 19 or graduation from high school, particularly if they do not go on to college. A 2004 Commonwealth Fund study found that among employers who offer coverage, nearly 60 percent do not insure dependent children over age 18 or 19 if they do not attend college.[4] In addition, given the severe downturn in the economy, many young adults who do go on to college and have coverage through their parent's policies after high school are at risk of losing that coverage if a parent loses their job and either does not qualify for continuing coverage under COBRA or cannot afford the premiums. Congress's Economic Stimulus Package which includes subsidies to cover 65 percent of COBRA premiums will help many eligible families.[5]

Similarly, Medicaid and SCHIP reclassify all teenagers as adults the day they turn 19. As a result, young adults who had been insured under Medicaid or SCHIP as children typically do not have an option to stay covered through those programs, unless they are able to qualify for Medicaid as adults. Regardless of school, work, or dependent status, they lose their eligibility as dependents or children. Most low-income young adults become ineligible for public programs, since eligibility for adults in most states is generally restricted to very-low-income parents or disabled adults. Even teenagers with disabilities who qualified for Medicaid before their 19th birthdays must go through a new

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[3] Analysis of March 2008 Current Population Survey by Bisun Mahato of Columbia University for the Commonwealth Fund.

[4] S. R. Collins, C. Schoen, M. M. Doty, and A. L. Holmgren, *Job-Based Health Insurance in the Balance: Employer Views of Coverage in the Workplace* (New York: The Commonwealth Fund, Mar. 2004).

[5] Subsidies are available to workers who were "involuntarily terminated" between Sept. 1, 2008, and Dec. 31, 2009, and whose annual incomes do not exceed $125,000 for individuals or $250,000 for families.

set of screening tests to determine whether they are still eligible for benefits as disabled adults.[6] The needs of foster children aging off Medicaid have been addressed through the federal Foster Care Independence Act of 1999, which allows states to continue Medicaid coverage for former foster children up to age 21.[7] However, few states have taken advantage of this legislation.[8]

As a result of the combined impact of public and private insurance rules, uninsured rates jump sharply at age 19. Turning 19 increases the uninsured rate nearly threefold; it rises from 11 percent among children age 18 and under to 29 percent among those ages 19 to 29 (Figure 2). Low-income young adults are particularly vulnerable to being uninsured. Among those in families living below the poverty level, more than half (51%) are uninsured, compared with about one of five (19%) low-income children age 18 and under. Those young adults with slightly higher incomes (100%–199% of poverty) fare only marginally better— two of five (40%) are uninsured.

Young adults who enroll in college full-time when they graduate from high school are the most likely in their age group to have insurance coverage, primarily because they are able to maintain eligibility under their parents' employer's policies. A small share of full-time students also gains coverage through plans offered by universities or through the individual insurance market. Roughly 38 percent of public universities and 79 percent of private universities and colleges require that students have health insurance as a condition of enrollment.[9] Six states (California, Idaho, Illinois, Massachusetts, Montana, and New Jersey) have either a state mandate or a higher education governing board mandate that

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[6] E. Fishman, "Aging Out of Coverage: Young Adults with Special Health Needs," *Health Affairs*, Nov./Dec. 2001 20(6):254–66.

[7] U.S. Social Security Administration, Legislative Archives of the 106th Congress, The Foster Care Independence Act of 1999, http://www.ssa.gov/legislation/legis_bulletin_112499.html, accessed Nov. 9, 2007.

[8] S. R. Collins, "Widening Gaps in Health Insurance Coverage in the United States: The Need for Universal Coverage," Invited testimony, Subcommittee on Income Security and Family Support Committee on Ways and Means, United States House of Representatives, Hearing on Impact of Gaps in Health Coverage on Income Security, Nov. 14, 2007.

[9] Dana M. Mills, "The State of Student Health Insurance: Implications for ACHA's Standards," 2007 Student Health Insurance/Benefit Plan Survey Results, presentation at ACHA's Annual Meeting, Jun 1 2007; Communication with S. Beckley, Stephen L. Beckley & Associates, Inc., Fort Collins, Colo, June 9, 2007.

full-time undergraduate students who are U.S. citizens must have health insurance in order to enroll.[10] Half (49%) of full-time students ages 19 to 23 receive health insurance through their parents' employer-sponsored plans, while another 20 percent have individual coverage, including college and university plans (Figure 3).

Young adults who are not in school full-time following graduation from high school are much more likely to be uninsured, primarily because it is much harder for them to gain access to employer coverage. Thirty-nine percent of part-time and non-students ages 19 to 23 are uninsured, compared with 17 percent of full-time students (Figure 3). Young adults who opt to enter the labor market rather than go to college are unlikely to be eligible for coverage under their parents' policies, and may have difficulty finding a job with health benefits. For those entering the labor market without the benefit of a college education, the jobs available are those that are least likely to have health benefits—jobs that pay low wages, are with small companies, or are part-time or temporary.[11] The Commonwealth Fund Biennial Health Insurance Survey (2007) found that 40 percent of all workers ages 19 to 29 who earn less than $10 per hour are uninsured.[12] More than one-third (36%) of workers between ages 19 and 29 have jobs that pay less than $10 per hour.[13]

Using the Survey of Income and Program Participation (SIPP), a federal survey which follows people over time, Elise Gould tracked a sample of young adults in the year following graduation for the Commonwealth Fund. Among all young adults graduating from high school between 2001 and 2003, three of 10 were uninsured for some time in the year following high school (Figure 4). Thirty-eight percent of young adults who

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[10] Ibid.

[11] S. R. Collins, K. Davis, and A. Ho, "A Shared Responsibility: U.S. Employers and the Provision of Health Insurance to Employees," *Inquiry* Spring 2005 42(1):6–15; S. R. Collins, K. Davis, M. M. Doty, and A. Ho, *Wages, Health Benefits, and Workers' Health* (New York: The Commonwealth Fund, Oct. 2004); S. R. Collins, C. Schoen, D. Colasanto, and D. A. Downey, *On the Edge: Low-Wage Workers and Their Health Insurance Coverage, Findings from the 2001 Health Insurance Survey* (New York: The Commonwealth Fund, Mar. 2003); B. Garret, L. M. Nichols, and E. K. Greenman, *Workers Without Health Insurance: Who Are They and How Can Policy Reach Them?* (Washington, D.C.: The Urban Institute, Sept. 2001); S. H. Long and M. S. Marquis, "Low-Wage Workers and Health Insurance Coverage: Can Policymakers Target Them Through Their Employers?" *Inquiry*, Fall 2001 38(3):331–37.

[12] Authors' analysis of the Commonwealth Fund Biennial Health Insurance Survey (2007).

[13] Ibid.

graduated from high school but did not go to college were uninsured for some time during the year following their graduation—more than twice the rate of young adults who attended college that year.

Graduation from college. Among those young adults who go to college, the year following their college graduation also can be a time during which connections to the health system are fragile and break down. The protections afforded them by virtue of being a full-time student—coverage through a parent's employer policy or a student health plan—are lost upon graduation. As new, albeit college-educated, entrants to the labor force, they confront hazards that reduce their likelihood of having coverage similar to those faced by high school graduates: waiting periods, temporary positions, lower-wage jobs, employment in small firms, and job turnover. Of those college students who graduated during 2001 to 2003, more than one-third (34%) were uninsured for at least part of the time in the year following graduation, with 13 percent uninsured for six months or more (Figure 5).

Working young adults ages 19 to 29 are less likely than working adults ages 30 to 64 to work for a company that offers health benefits and to be eligible for those benefits, if offered (Figure 6). They are also less likely to take up coverage when it is offered. The Commonwealth Fund Biennial Health Insurance Survey found that only slightly more than half (53%) of 19-to-29-year-olds who were working part-time or full-time were eligible for coverage offered by their employers, compared with three-quarters (74%) of 30-to-64-year-olds. Just one-third were covered by their employer plan and 28 percent of workers in this age group were uninsured, nearly three times the rate of older workers. Overall, two-thirds (66%) of working young adults take up coverage when it is offered by their employer, compared with 84 percent of workers ages 30 and older. Of all the age groups, young working adults under age 24 were the least likely to be eligible for coverage and the least likely to take up coverage when it was offered. The lower take-up rates among 19-to-23-year-olds are partly explained by their greater likelihood of being covered as dependents on parents' policies, compared with young adults age 24 and older.

Demographics of Uninsured Young Adults

By far, the young adults most at risk of lacking coverage are those from low-income households. Like children and adults, young adults in lower income families are disproportionately represented among the uninsured. About 23 percent of adults ages 19 to 29 live in households with incomes below 100 percent of the poverty level, but more than two-fifths (41%) of uninsured young adults live in households with incomes below poverty (Figure 7).[14] More than 7 in 10 (72%) uninsured young adults have household incomes of less than 200 percent of poverty.

Young adults from low-income households are both more likely to experience some time uninsured and to go without coverage for long periods of time. In Elise Gould's analysis of the SIPP, 80 percent of young adults 19-23 with incomes under 200 percent of the poverty level were uninsured for at least part of the three-year period spanning 2001–2003; half (50%) were uninsured for 13 months or more (Figure 8).

Nearly half (45%) of uninsured young adults are white. But Hispanics and African Americans are both at greater risk of being uninsured than white young adults: 36 percent of African Americans and 53 percent of Hispanics ages 19 to 29 are uninsured, compared with 23 percent of whites in that age range. Hispanics are also disproportionately represented among uninsured young adults, representing 19 percent of adults ages 19 to 29, but accounting for nearly one-third (33%) of uninsured young adults. Hispanic and African American young adults are at high risk of being uninsured at any time and for experiencing long spells without coverage. In the SIPP analysis, 82 percent of Hispanic young adults ages 19–23 were uninsured for some time over the three year period and 19 percent were uninsured for the entire time period, four times the rate of white young adults.

What are Consequences of Going Without Health Insurance for the Health and Economic Security of Young Adults and Their Families?

[14] In 2007, the under-65 poverty thresholds were $10,787 for one person, $13,884 for two adults, $16,689 for two adults and one child under 18, and $21,027 for two adults and two children under 18. See C. DeNavas-Walt, B. D. Proctor and J.C. Smith, *Income, Poverty, and Health Insurance Coverage in the United States: 2007*, Current Population Reports, Consumer Income (Washington, D.C.: U.S. Census Bureau, Aug. 2008).

Young adults are on average in better health than older adults. They also have lower per-capita health expenditures than do older age groups (Figure 9). But going without insurance disrupts their access to the health care system, introduces barriers to care when it is needed, and leaves young adults and their families at risk for high out-of-pocket costs in the event of a serious illness or severe injury. Young adults, particularly women, are in need of regular preventive care. If young adults lose their coverage at age 19 or upon graduation from college, their ties with their physicians may be severed at precisely the time they should be forming stronger links to the health care system and taking responsibility for their own care. The following are a few reasons why coverage is as important for young adults as it is for everyone else:

- Twenty-eight percent of 18–29 year olds are overweight, and 24 percent are obese. Over the past 30 years, obesity among this age group has increased three-fold.[15]
- There are 3.5 million pregnancies each year among the 21 million women ages 19 to 29.[16]
- One-third of all HIV diagnoses are made among young adults.[17]
- Injury-related visits to emergency rooms are far more common among young adults than they are among either children or older adults.[18]
- More than 20,000 people with congenital heart disease reach their 19th birthday each year.[19]

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[15] National Center for Health Statistics, *Health, United States, 2008,* (Hyattsville, MD: NCHS, 2009).

[16] K. Quinn, C. Schoen, and L. Buatti, *On Their Own: Young Adults Living Without Health Insurance* (New York: The Commonwealth Fund, May 2000).

[17] Quinn, Schoen and Buatti, *On Their Own: Young Adults Living Without Health Insurance,* 2000.

[18] National Center for Health Statistics, *Health, United States, 2005* (Hyattsville, Md.: NCHS, Nov. 2005), Table 89.

[19] G. Rosenthal, "Prevalence of Congenital Heart Disease," in *The Science and Practice of Pediatric Cardiology*, Second Edition, A. Garson, J.T. Bricker, D.J. Fisher, and S.R. Neish (eds.) (Baltimore: Williams and Wilkins, 1998), pp. 1095–96.

The Commonwealth Fund Biennial Health Insurance Survey (2007) shows that being uninsured or having gaps in health insurance impedes access to the health care system. Two-thirds (66%) of young adults ages 19 to 29 who either were uninsured for the entire year or had a time without coverage said that they had gone without needed health care because of cost (Figure 10). Forgone care included failing to fill a prescription, not seeing a doctor or specialist when sick, or skipping a recommended medical test, treatment, or follow-up visit.

In addition, uninsured young adults are far less likely than those with coverage to have a regular doctor. In the survey, 2 in 5 (41%) uninsured young adults ages 19 to 29 had a regular doctor, compared with 4 in 5 (79%) who were insured all year (Figure 11).

Many young adults have problems paying medical bills or are paying off medical debt over time. More than one-third (35%) of all young adults surveyed, both insured and uninsured, report problems with medical bills: including having trouble making payments, being contacted by a collection agency because of inability to pay bills, significantly changing their way of life in order to pay medical bills, or paying off medical debt over time (Figure 12). More than one-quarter (28%) of young adults were paying off medical debt over time. Uninsured young adults were the most burdened with medical bills and debt; nearly half (49%) reported at least one bill-related problem.

New Policies To Expand Coverage to Young Adults

Reform of the U.S. health system has moved swiftly to the top of the nation's policy agenda. Health care reform played a central role in the 2008 presidential election, with all candidates proposing strategies to expand coverage and improve health system performance.[20] Senator Max Baucus, chairman of the Senate Finance Committee, released a proposal shortly after the election outlining a framework aimed at universal coverage and improvements in health care quality and efficiency.[21] In his first address to

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[20] S. R. Collins, J. L. Nicholson, S. D. Rustgi, K. Davis, *The 2008 Presidential Candidates' Health Reform Proposals: Choices for America* (New York: The Commonwealth Fund, October 2008); S. R. Collins, J. L. Kriss, *Envisioning the Future: The 2008 Presidential Candidates' Health Reform Proposals* (New York: The Commonwealth Fund, January 2008).

[21] M. Baucus, *Call to Action: Health Reform 2009*, November 12, 2008, http://finance.senate.gov/healthreform2009/home.html.

Congress in February, President Obama identified health care as a top domestic priority. The president underscored his commitment by setting aside $634 billion in a Health Reform Reserve Fund over 2010-2019 in his federal budget proposal.[22] In addition, the president announced eight principles for reform including health care cost control and universal coverage. Congress and the administration have already taken steps to expand coverage by reauthorizing the State Children's Health Insurance Program and including provisions in the economic stimulus package to subsidize health plans for the unemployed under COBRA.[23] The president has asked Congress to pass health reform legislation by the end of the year and both Houses appear poised to act. Universal health insurance coverage is critical to ensuring that young adults avoid gaps in their health insurance when they make the transition from childhood to adulthood, from high school or college or graduate school to the workforce.[24]

The Commonwealth Fund Commission on a High Performance Health System recently released its recommendations for universal insurance coverage as well as payment and health system reforms.[25] The policy framework put forth in the report would build on the existing health system requiring employers to offer coverage, expanding income eligibility limits in the Medicaid and SCHIP programs, and creating a new national health insurance exchange with a choice of private and public health plans with a benefit standard of comprehensive and affordable health insurance and new insurance market regulations including guaranteed issue and community rating. Sliding scale premium subsidies would be available for premiums that exceeded 10 percent of

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[22] Budget of the United States Government, Fiscal Year 2010, White House Office of Management and Budget, February 26, 2009. http://www.whitehouse.gov/omb/budget/.

[23] M. M. Doty, S. D. Rustgi, C. Schoen, and S. R. Collins, *Maintaining Health Insurance During a Recession: Likely COBRA Eligibility* (New York: The Commonwealth Fund, January 2009).

[24] The Commonwealth Fund Commission on a High Performance Health System, *A High Performance Health System for the United States: An Ambitious Agenda for the Next President* (New York: The Commonwealth Fund, November 2007); S.R. Collins, C. Schoen, K. Davis et al., *A Roadmap to Health Insurance For All: Principles for Reform*, (New York: The Commonwealth Fund, October 2007).

[25] The Commonwealth Fund Commission on a High Performance Health System, *The Path to a High Performance U.S. Health System: A 2020 Vision and the Policies to Pave the Way* (New York: The Commonwealth Fund, February 2009).

income or 5 percent for those in lower tax brackets. Everyone would be required to have health insurance that met affordability standards. In addition, the framework includes provisions that extend affordable health coverage to the 13 million young adults who lack insurance coverage and the millions more who undergo rapid transitions in their early working years. Young adults could remain covered under their parents' policies until age 26. Those young adults with low income up to 150 percent of the poverty level would be eligible for Medicaid/SCHIP, and those with incomes up to 200 percent of the poverty level would be eligible for premium assistance that caps premiums at no more than five percent of income. A portable public health insurance plan within a national health insurance exchange will provide a continuous source of coverage for young adults making frequent job changes.

Recent state initiatives. Young adults benefit from several state initiatives to either expand coverage to the full population or specifically to young adults. The Commonwealth of Massachusetts passed a universal coverage law with employer and individual mandates in 2006, and has enrolled 430,000 people to date, effectively reducing the state's uninsured rate to 2.6%. [26] Maine implemented DirigoChoice in 2003 which offers subsidized coverage to employees of small firms, the self-employed and individuals on a voluntary basis, covering more than 29,000 people since its inception.[27] Vermont enacted a new coverage expansion for its uninsured residents in late 2007 comprised of subsidized coverage for people with incomes under 300% of poverty, standardized benefits, some new insurance regulations, and an employer play or pay requirement for firms other than small firms. [28]

Twenty-five states have passed legislation that increases the age of dependency for young adults for purposes of private insurance coverage (Figure 13).[29] New York

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[26] Massachusetts Health Connector, Health Connector Facts and Figures, April 2009, http://www.mahealthconnector.org.

[27] Dirigo Health Monthly Numbers, February 2009, http://www.dirigohealth.maine.gov

[28] Kaiser Family Foundation, *Vermont Health Care Reform*, December 2007; http://hcr.vermont.gov/green_mountain_care.

[29] See also, National Conference of State Legislatures, http://www.ncsl.org/programs/health/dependentstatus.htm.; State Coverage Initiatives, http://www.statecoverage.net/matrix/dependentcoverage.htm.

Governor Paterson has proposed a similar initiative for New York, increasing the age of dependency to age 29. In the states that have passed such laws, new ages of dependency range from age 24 in Delaware, Indiana, South Dakota, and Tennessee to age 30 in New Jersey. Sixteen states have settled on age 25. All but four laws apply to non-students and students. In general, these laws apply to plans covered under state insurance regulations and thus do not apply to self-insured employers.

Some of the new laws and proposals are part of broader state efforts to expand coverage. As part of Massachusetts' 2006 law, young adults are considered dependents for insurance purposes up to age 26 or for two years after they are no longer claimed on their parents' tax returns—whichever comes first.[30] The state's new Commonwealth Choice program also provides lower-cost insurance products for young adults ages 19 to 26.[31]

Targeted Policy Options

Whether they are included in a broader coverage expansion plan or implemented on their own, targeted policy options for young adults could improve access to coverage for young adults and help them stay insured. At the same time, expanding coverage for this group could very well lower the average cost of group insurance, since young adults are generally healthier than older adults and have far lower per capita health care expenditures (Figure 9).[32]

Three policy changes could extend coverage to a substantial portion of uninsured young adults and prevent others from losing coverage in the future.

1. *Extend eligibility for Medicaid/SCHIP public coverage beyond age 18.* Congress could allow or require states to extend coverage to those young adults in Medicaid and SCHIP who lose their eligibility because of age, with federal matching funds provided. Young adults in households with incomes under 100 percent of poverty are by far the group most

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[30] Massachusetts H.B. 4850, http://www.mass.gov/legis/laws/seslaw06/sl060058.htm.

[31] "Health Care Access and Affordability Conference Committee Report," April 2006. http://www.mass.gov/legis/summary.pdf.

[32] Analysis of the Medical Expenditure Panel Survey (MEPS), 2004, by S. Glied and B. Mahato, Columbia University, for The Commonwealth Fund. See Methodology for a description of the MEPS.

at risk of lacking health insurance coverage. Such an expansion would have the biggest impact in terms of lowering the number of uninsured young adults. Young adults with incomes of 100 percent to 199 percent of poverty also lack insurance at a high rate. States would have the option of extending coverage up to a target age such as 26, and could phase in coverage one year at a time. Alternatively, Congress could require states to extend coverage to those currently enrolled in the programs and who "age off," just as states are now required to extend Medicaid coverage to those who become ineligible because of higher earnings.[33] Such a policy change could help the 3.6 million uninsured young adults ages 19 to 25 with incomes under 100 percent of poverty or the 7.6 million uninsured young adults ages 19 up to 25 with incomes under 200 percent of poverty.

2. *Extend eligibility for dependents under private coverage beyond age 18 or 19.* Private insurers and both public and private employers could be required to define dependent coverage as all unmarried dependents beyond age 18 or 19. As noted above, many states have recently redefined the age at which a young adult is no longer a dependent. Some private and public employers already provide such coverage voluntarily. Under the Federal Employees Health Benefits Program (FEHBP), government employees and members of Congress currently enjoy coverage for unmarried dependent children under age 22.[34] A bill introduced last year would extend health insurance under FEHBP to dependents up to age 25.[35] Such an expanded benefit could be either structured as a rider with a supplemental premium or simply extended to all policies and covered by the family premium. Increasing the age to 23 could cover an additional estimated 1.4 million unmarried, dependent young adults with parents who have employer-sponsored insurance, and increasing the age to 25 could cover 1.9 million unmarried, dependent young adults.[36] If the benefit requirement were extended to all family policies, with the

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[33] J. M. Lambrew and A. Garson, Jr., *Small But Significant Steps to Help the Uninsured* (New York: The Commonwealth Fund, Jan. 2003).

[34] Federal Employees Health Benefits Program Handbook, see http://www.opm.gov/insure/handbook/fehb00.asp.

[35] To amend Title 5, United States Code, to increase the maximum age to qualify for coverage as a "child" under the health benefits program for federal employees, H.R. 5550, introduced Mar. 6, 2008, by Representative Danny Davis (D–Ill.).

[36] Analysis of the March 2007 Annual Social and Economic Supplement to the CPS, S. Glied and B. Mahato. This is likely to be an underestimate of the number of unmarried, dependent

dependency age limit increased from 19 to 23, the average premium for those plans is estimated to rise by about 3 percent. Because fewer young adults over age 23 would likely be covered under their parents' policies as they join the workforce and gain other coverage, increasing the age of dependency from 23 to 25 is expected to result in an additional premium increase of about 1 percent.

3. *States could ensure that all colleges and universities require full-time and part-time students to have health insurance, and that they offer health insurance coverage to both.* Many colleges and universities already require health insurance coverage as a condition of enrollment, and a handful of states (California, Idaho, Illinois, Massachusetts, Montana, and New Jersey) have either a state mandate or a higher education governing board mandate requiring that full-time undergraduate students who are U.S. citizens have health insurance in order to enroll. Students at these institutions generally can choose to enroll in a school health plan or provide proof of coverage from another source, usually a parent's employer-based plan.

The cost of the school plans, which ranges from about $500 to $2,400 per year, is usually added to tuition, along with other required fees.[37] The average annual cost for a school plan at public colleges and universities is $1,482, and $1,720 at private colleges and universities.[38] Using state mandates to increase the number of schools that require students to have health insurance coverage and offer coverage could help cover the 1.6 million part-time and full-time uninsured students ages 19 to 23. Federal or state subsidies for premiums would help offset the costs of insurance coverage for students.

Conclusion

The persistent rise in the number of uninsured young adults each year reflects the spreading weaknesses in the United States' voluntary, employer-based health insurance

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young adults who would be affected, because it counts only those who live in the same household as their parents.

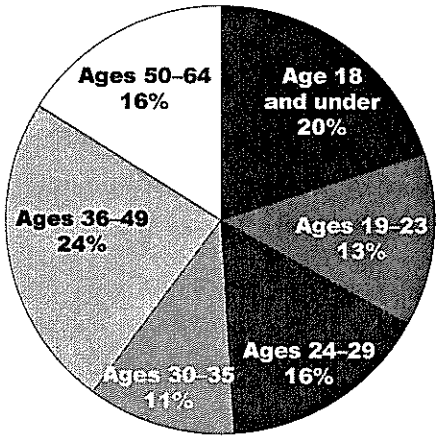
[37] The range reflects the costs of those school health plans that are consistent with standards recommended by the American College Health Association. Communication with S. Beckley, 2008; L. Rosellini, "Healthcare Headaches," *U.S. News & World Report*, Apr. 15, 2002, p. 52.

[38] Data from Hodgkins Beckley Consulting's fourth annual survey of the cost of college student health insurance plans that comply with benefit and management standards endorsed by the American College Health Association, Jan. 2008.

system. As a country we depend nearly entirely on employers to provide health insurance to working age adults and indeed more than 160 million workers and their dependents are covered under employer-based health plans. But the unabated growth in health care costs of the last several years combined with the recent, severe downturn in the economy has made it increasingly difficult for many employers, particularly small employers, to provide affordable health insurance coverage to all their workers. New entrants to the labor force, particularly those with low wages or who are in temporary positions, are at high risk of not being offered health insurance by an employer or not being able to afford it when it is offered. The individual insurance market has proven to be an inadequate substitute for employer-based coverage. As increasing numbers of adults have lost employer-based coverage over the last half decade, enrollment in the individual market has remained largely static: the majority of people who lose access to employer coverage become uninsured. It is imperative that the nation move affirmatively to address a situation that has become tragic for millions of families by expanding affordable and comprehensive health insurance coverage to everyone.

Thank you.

Figure 1. There Are 13.2 Million Uninsured Young Adults Ages 19–29, Almost 30 Percent of Nonelderly Uninsured, 2007



Nonelderly uninsured = 45.0 million

Source: Analysis of the March 2008 Current Population Survey by S. Glied and B. Mahato of Columbia University for The Commonwealth Fund.

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Figure 2. Percent Uninsured, Children and Young Adults, by Poverty Level, 2007

Percent Uninsured	Children, Ages 18 and Under	Young Adults, Ages 19–29
Total	11%	29%
<100% FPL	19	51
100%–199% FPL	16	40
≥200% FPL	7	16

Source: Analysis of the March 2008 Current Population Survey by S. Glied and B. Mahato of Columbia University for The Commonwealth Fund.

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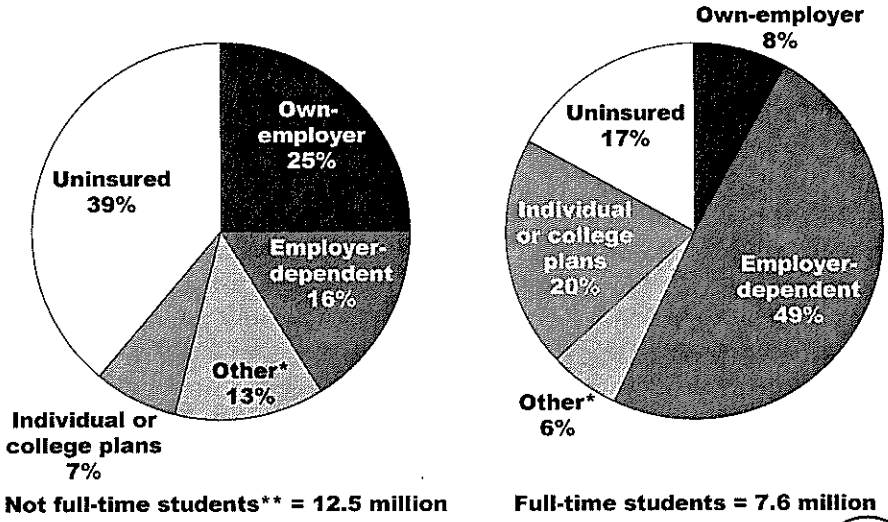
Figure 3. Insurance Sources for Young Adults, Ages 19–23, 2006



Not full-time students = 12.5 million** **Full-time students = 7.6 million**

* Other includes Medicare, Medicaid, and Military.
** Includes part-time students and non-students.
Source: J. L. Kriss, S. R. Collins, B. Mahato, E. Gould, and C. Schoen, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update, The Commonwealth Fund, May 2008; Data analysis of the March 2007 Current Population Survey by S. Glied and B. Mahato of Columbia University for The Commonwealth Fund.

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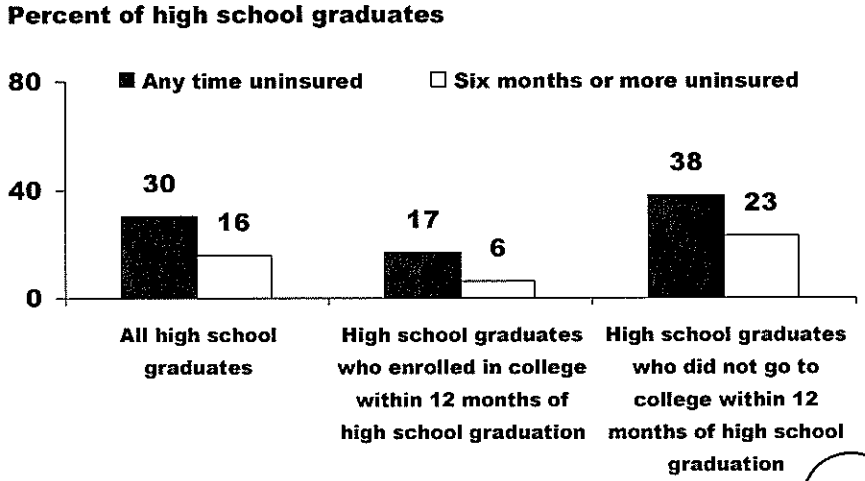
Figure 4. Percent of High School Graduates with Gaps in Insurance Coverage in the Year Following Graduation, by Student Status, 2001–2003*



* People who graduated from high school during 2001–2003.
Source: J. L. Kriss, S. R. Collins, B. Mahato, E. Gould, and C. Schoen, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update, The Commonwealth Fund, May 2008; Data analysis of the 2001 Panel of the Survey of Income and Program Participation by E. Gould for The Commonwealth Fund.

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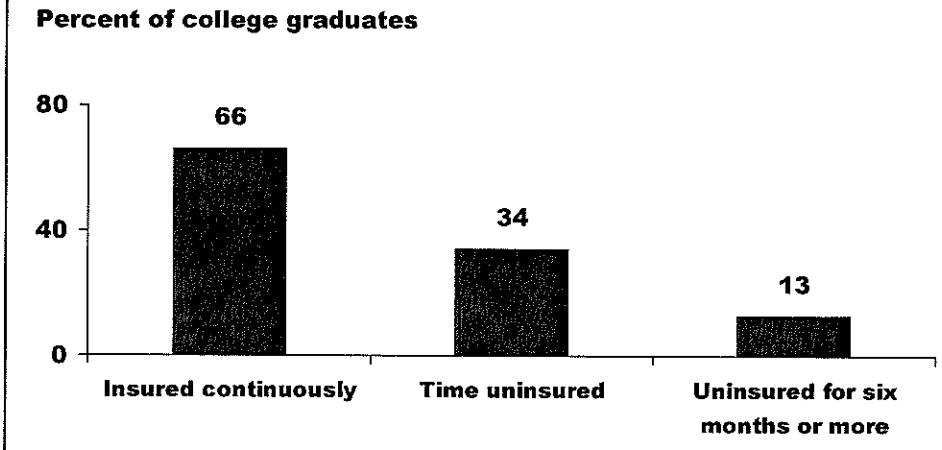
Figure 5. One-Third of College Graduates Had Time Uninsured in Year Following Graduation, 2001–2003*



* People who graduated from college during 2001–2003.
Note: College graduates are defined as those with at least a bachelor degree.
Source: J. L. Kriss, S. R. Collins, B. Mahato, E. Gould, and C. Schoen, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update, The Commonwealth Fund, May 2008; Data analysis of the 2001 Panel of the Survey of Income and Program Participation by E. Gould for The Commonwealth Fund.

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Figure 6. Availability of and Workers' Eligibility for Employer Insurance, Among Workers Ages 19–64

	Total	Ages 19-29	Ages 19-23	Ages 24-29	Ages 30–64
Total (millions)	122.2	26.6	11.7	14.9	95.5
Eligibility					
Employer offers a plan	75%	68%	64%	71%	77%
Eligible for employer plan	69	53	42	62	74
Coverage					
Covered through own employer	56	35	19	48	62
Covered through someone else's employer	16	16	24	10	16
Covered through public program	5	11	16	7	3
Individual	6	3	2	4	7
Other	3	7	7	7	2
Uninsured	14	28	32	25	10
Take-up rate of own-employer insurance	81	66	45	78	84

Note: Workers include full-time and part-time workers.
Source: J. L. Kriss, S. R. Collins, B. Mahato, E. Gould, and C. Schoen, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update, The Commonwealth Fund, May 2008.

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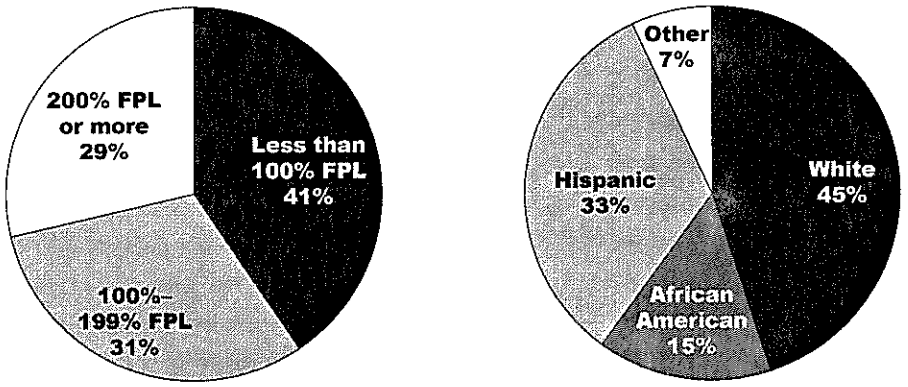
Figure 7. Distribution of Uninsured Young Adults Ages 19–29 by Poverty Status and Race/Ethnicity, 2006



Uninsured young adults = 13.7 million

Source: J. L. Kriss, S. R. Collins, B. Mahato, E. Gould, and C. Schoen, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update, The Commonwealth Fund, May 2008; Data analysis of the March 2007 Current Population Survey by S. Glied and B. Mahato of Columbia University for The Commonwealth Fund.

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Figure 8. Months Uninsured Among Young Adults, 2001-2003

	Population in millions	Any part of 3-year period	13 months or more	25 months or more	36 months
Total 19–23*	17.3	62%	33%	17%	7%
Poverty					
≤200% FPL	5.3	80	50	31	13
>200% FPL	12.0	54	26	12	5
Race					
White	11.5	55	26	13	5
Black	2.2	74	39	19	7
Hispanic	2.7	82	57	38	19

*People who were 19–23 at beginning of survey in 2001.
Source: J. L. Kriss, S. R. Collins, B. Mahato, E. Gould, and C. Schoen, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update, The Commonwealth Fund, May 2008; Data analysis of the 2001 Panel of the Survey of Income and Program Participation by E. Gould for The Commonwealth Fund.

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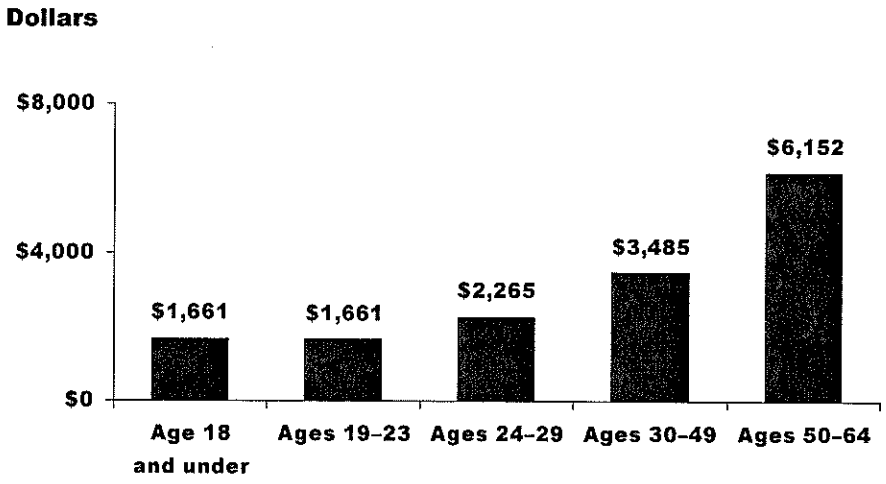
Figure 9. Annual Per Capita Total Health Expenditures by Age Group, 2008*



* Inflated to 2008 dollars using actual and estimated annual growth rates in national health expenditures.
Source: J. L. Kriss, S. R. Collins, B. Mahato, E. Gould, and C. Schoen, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update, The Commonwealth Fund, May 2008; Data analysis of the 2005 Medical Expenditure Panel Survey by S. Glied and B. Mahato of Columbia University for The Commonwealth Fund.

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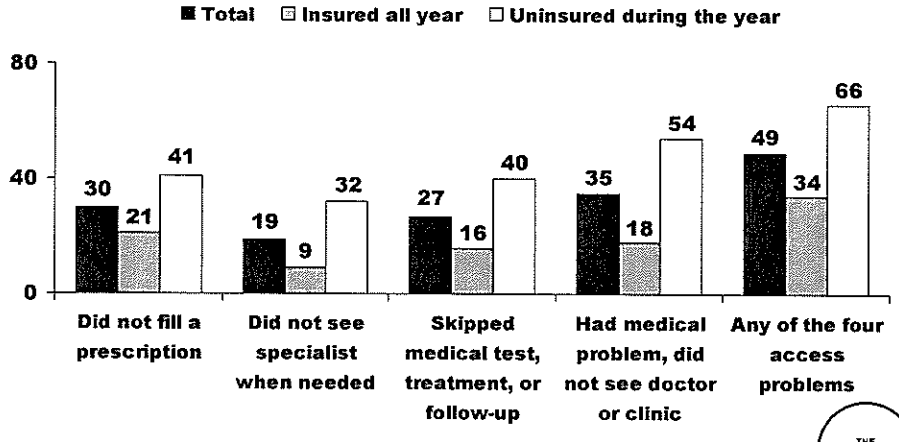
Figure 10. Lacking Health Insurance for Any Period Threatens Young Adults' Access to Care, 2007

Percent of adults ages 19–29 reporting the following problems in the past year because of cost:



Source: J. L. Kriss, S. R. Collins, B. Mahato, E. Gould, and C. Schoen, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update, The Commonwealth Fund, May 2008.

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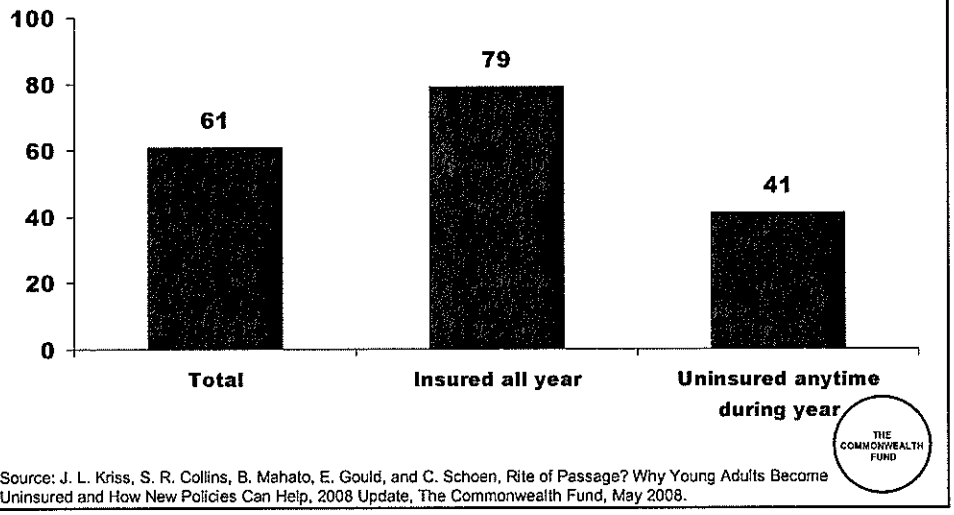
Figure 11. Young Adults Without Insurance Are Less Likely to Have a Regular Doctor, 2007

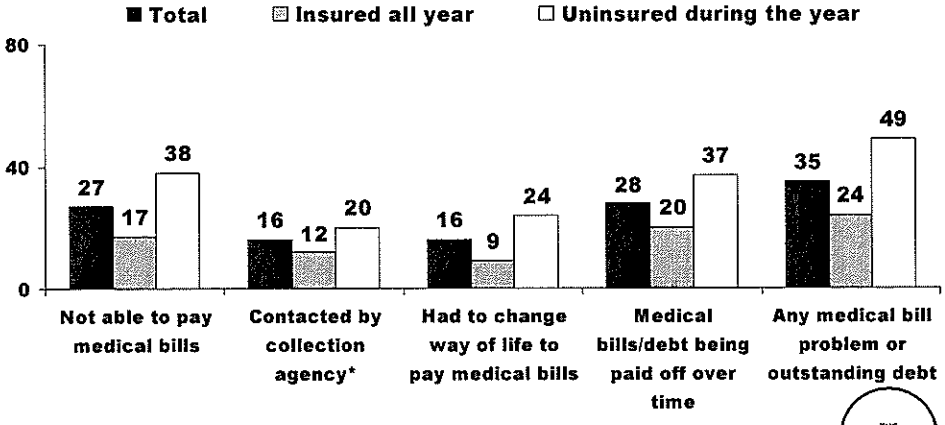
Percent of adults ages 19–29 who have a regular doctor



Source: J. L. Kriss, S. R. Collins, B. Mahato, E. Gould, and C. Schoen, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update, The Commonwealth Fund, May 2008.

Figure 12. Young Adults with Any Time Uninsured Have High Rates of Medical Bill Problems, 2007

Percent of adults ages 19–29 who had the following problems in past year:



* Includes only those whose bill was sent to a collection agency when they were unable to pay the bill.
Source: J. L. Kriss, S. R. Collins, B. Mahato, E. Gould, and C. Schoen, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update, The Commonwealth Fund, May 2008.

Figure 13. 25 States Have Increased the Age Up to Which Young Adults Are Considered Dependents for Insurance Purposes

Year law passed or implemented	State	Limiting age of dependency status
1994	Utah	26
2003	Texas	25
2005	South Dakota	24
	New Mexico	25
2006	Delaware	24
	Colorado, Massachusetts, Rhode Island	25
	New Jersey	30
2007	Indiana	24
	Florida, Idaho, Maine, Maryland, Minnesota, Montana, Virginia, Washington	25
	Connecticut, New Hampshire	26
2008	Tennessee	24
	Iowa, Kentucky, West Virginia	25
	Illinois	26

Note: South Dakota, Rhode Island, Idaho, and Virginia's laws apply only to full-time students.
Source: J. L. Kriss, S. R. Collins, B. Mahato, E. Gould, and C. Schoen, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update, The Commonwealth Fund, May 2008, updated for 2009.

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Eesha Pandit
Director of Advocacy
Raising Women's Voices

Testimony before the New York City Council Health Committee
April 23, 2009
New York, NY

Young Adult Women and Access to Health Care

Good afternoon. Thank you for the opportunity to present testimony on the subject of health insurance options for young adults. My name is Eesha Pandit and I am here representing the Raising Women's Voices for the Health Care We Need. Raising Women's Voices is a national initiative to support quality, affordable health care for all. Our goal is to engage a broad array of women's health advocates in local, state and national health reform discussions to ensure that women's concerns will be addressed and the health care we get will truly be health care for all. The collaboration for RWV was launched by: The Avery Institute for Social Change; MergerWatch, an affiliate of Community Catalyst; and The National Women's Health Network.

Recently, a great deal of public attention and public policy has been focused health care reform. As your council discusses the issue of young adults and health insurance we are here to urge you to consider the specific challenges that young women face in obtaining quality, affordable health care.

One quarter of women ages 18 to 29 are uninsured, making them more likely than any other group to be uninsured and the least likely to have job-based coverage (only 59 %).[1] Women are more likely to have part-time jobs than their male counterparts and consequently they are less likely to have access to employer-based coverage. Young adults, including young women, move in and out of school and jobs throughout their 20s. Job tenure is shorter now than it has ever been among younger workers, making it even more likely that these young women won't have health insurance coverage for periods of weeks, months, or even years.[2]

Because of these challenges and given the economic realities, young women entering the workforce after high-school, college and/or graduate school are less likely to get consistent and adequate health care at a time in their lives when this care is critical. Many young people have entry-level, low-wage, and temporary jobs that often do not offer health coverage and public coverage options for young adults are very limited. You'll hear from two such young women with compelling stories to share, in just a few moments.

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[1] Data are for health insurance coverage of women ages 18 to 64, in 1999. Compared to 16 percent of 30-44 year-olds; 14 percent of 45-54 year-olds; and 16 percent of 55-64 year-olds who are uninsured. Women's Health Insurance Coverage. As cited in, Mansbach, Rebecca, *Young Americans and Health Insurance: Why young people should demand change to our health care system.* Center for American Progress, January 14, 2008.

[2] E. Fishman, Aging Out of Coverage: Young Adults with Special Health Needs, Health Affairs, Nov./Dec. 2001 20(6):254–66.

Additionally, at this time in their lives, access to reproductive health care is crucial for young women. There are 3.5 million pregnancies a year among the 21 million women ages 19-29, many of whom lack health coverage.[3] This is especially significant, because early and adequate prenatal care identifies and manages chronic and acute care conditions that can harm a pregnancy and lead to devastating and costly outcomes, including low birth-weight and preterm birth. Women without prenatal care are more likely to have low birth-weight or preterm babies, with higher risks of neonatal, infant, and maternal mortality.[4] They also need consistent and appropriate access to the full range of reproductive health services. This includes contraception, abortion, and family planning resources. All women are affected by their ability to access reproductive health care, but low-income young women and young immigrant women encounter significant barriers to abortion and family planning care at every turn.

Raising Women's Voices held a speak-out early this month in Morningside Heights at which we heard many diverse voices of young women and their struggle to get care. One young woman told us what it felt like to be sick, walk into the hospital to find that nobody spoke her language. Another young advocate working with immigrant women in the Bronx spoke of her experience with a young African woman who had been sexually assaulted and couldn't find someone to speak to her in her language after such a traumatic ordeal. She also could not afford the $2,000 for recommended HIV prophylaxis. As we have this opportunity to reform health care access for young adults, we also have the chance to use this opportunity as a moment to address the inequities that low-income young women, and young women of color face in accessing health care including access to language services and affordable care.

We work with many young women at Raising Women's Voices. We have heard many of their stories. These young women are of many different background and life experiences. They require access to health care for different reasons. But not one of them takes it lightly; not one is apathetic or considers herself "invincible," the label often given to young adults by health insurance experts trying to explain why young adults do not buy coverage. In fact, the reason is much simpler: These young women face very tough choices in their lives. Choices like affording college or affording private coverage. Choices like paying their rent or paying for health care. They will share their stories with you directly.

Thank you for this opportunity.

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[3] Ibid.

[4] U.S. Census Bureau data prepared for the March of Dimes (MOD), September 2007. MOD summary, *Census Data on Uninsured Women and Children*, available at: http://www.marchofdimes.com. See also March of Dimes, *The Distribution of Health Insurance Coverage Among Pregnant Women*, 2001. Available at: http://www.marchofdimes.com/files/2001FinalThorpeReport.pdf

Sara Siegel

I was diagnosed with juvenile diabetes on January 20, 1989, the same day that George Bush was inaugurated president of the United States.

At four years old, my diabetes was more my parents' disease than my own. Both my parents worked hard to ensure that I had as normal a childhood as possible. On my father's end, this meant waking up early the morning after I slept at a friend's house to drive over and give me my morning shot before I could do so myself. On my mother's end, it entailed coming to school every day and giving me a blood test during lunch, as well as figuring out how I could eat cake at birthday parties—no matter what.

When I was younger, in the '80s and early '90s, it seemed like no one knew what diabetes was. I was the only person all my friends knew that had diabetes, and yet because it was such a non-important part of my personality, I was never known as "the diabetic one". I was always the short one, or the one who quoted movies too often.

Now that I'm older and Type II diabetes has become somewhat of an epidemic in this country, it feels as if everyone I come in contact with knows at least one other person who is diabetic.

All of this was basically irrelevant to my life until I was in my early twenties. When I graduated college, I continued my health insurance coverage under COBRA through my father's employer. This was $700/month. Because I'm diabetic, my parents were willing to spend that much to ensure I had the best coverage possible. I'm lucky that they can afford it. My brother, who is not diabetic, traveled for a little while after school without any insurance. When he returned to New York, he started Healthy NY, and pays $168/month.

We figured I would find a job soon enough that would provide insurance. But I'm 24 now. I'm a writer who hasn't had a steady job since graduation. I intern with women's rights organizations and work strictly for-the-money jobs otherwise. $700/month is too much for my parents to pay, and *way* too much for me to pay. And so began the process of looking for new insurance.

Family Health Plus is an option for me, as someone who does not make a sizable income. However, the endocrinologist I have been seeing for the past seven years does not accept their coverage. Which makes Healthy NY my only affordable option. But because I am on the high premium, low deductible plan with prescriptions—and trust me, there are lots—I pay $294/month to my brother's $168/month.

I understand I'm a greater liability than he is, even though, aside from the diabetes, I am one of the healthiest people I know. It does seem like the whole system is built backwards, though. Because Healthy NY is HMO based, I chose a doctor I had seen twice to be my primary care physician. I now have to get referrals from her every six months to see that same endocrinologist I have been seeing since I was seventeen. I also need to get bi-annual referrals to see my diabetic ophthalmologist, who is in the same practice as my endocrinologist, because eyes are a part of the body diabetics must be careful with.

On top of which, health insurance companies seem to want to cover you only when you're young and not a risk—namely when you don't have a pre-existing condition. I need health insurance. People like my brother should have it just in case, but don't need it the way I do. So why is it so much harder for me? Why do I have to work harder to figure out what insurance I can get? Why do I have to continually get referrals for a condition that isn't going anywhere in six months? Why do I have to pay more per month when I already have to pay more out of pocket for co-pays at doctors I see more often, as well as for my part of prescription costs, as well as for glucose tablets or juice, which are not covered at all?

By chance of my genes and environment, I got diabetes. This is unfortunate, but I'm lucky that I take good care of myself and that my parents are around to support me financially and emotionally. Health insurance isn't governed by chance. It's governed by people who have the ability to make it easier for someone like me. Someone who is young and has a pre-existing condition that is not her life, but takes over more of it when dealing with health insurance.

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Testimony before
New York City Council Health Committee
Health Insurance Options for Young Adults (21-29)

Dana Czuczka
Planned Parenthood of New York City
April 23, 2009

Good afternoon. My name is Dana Czuczka. I am the Associate Vice President of Government Affairs at Planned Parenthood of New York City (PPNYC). I would like to thank the Health Committee Chair Joel Rivera and the entire committee for holding this important hearing and allowing Planned Parenthood the opportunity to provide testimony today.

Planned Parenthood of New York City has been a leader in reproductive health care for over 90 years. Now, as one of New York's oldest community-based safety-net providers, Planned Parenthood provides reproductive health care, education and advocacy throughout New York City. PPNYC is committed to ensuring access to reproductive health care to those who are most in need -- persons for whom age or income are obstacles to high quality care. In 2008, at our three centers in the Bronx, Brooklyn and Manhattan, we provided reproductive health care and family planning services to more than 45,000 New Yorkers, which translates into more than 70,000 visits. Our clients come from all five boroughs. The majority of Planned Parenthood's clients are at or below the poverty level, more than one-third use public insurance to pay for their care, and over two-thirds of our clients are women of color. *The demographic information perhaps most relevant to today's hearing on health insurance options for young adults is that this cohort – 21-29 year olds – make up the majority of our patient population.*

In addition to the medical services we provide, Planned Parenthood is especially proud of our leadership in expanding access to public insurance programs. At our three health centers, every uninsured client has the opportunity to meet with an Entitlement Counselor to assess his or her eligibility for public insurance and facilitate enrollment into programs that include Medicaid (MA), the Medicaid Family Planning Benefit Program (FPBP), Prenatal Care Assistance Program (PCAP), and Child Health Plus (CHP). In fact, in 2008 Planned Parenthood of New York City Entitlement Counselors screened and obtained insurance coverage for more than 5,800 uninsured clients. It's important to note that data from the first quarter of 2009 reveal that applications for public insurance are up, as are our sliding scale patients.

I share this background about Planned Parenthood, our services, and our clients because it gives us a unique perspective as a community-based safety-net provider and as a representative of many uninsured young adults.

<u>By the numbers: Young adults are one of the largest segments of U.S. population without health insurance</u>

In 2006, there were 13.7 million young adults (19-29) without health insurance.[1] In fact, young adults are one of the largest and fastest-growing segments of the United States population without health insurance.

[1] Kriss, Jennifer L, Collins, et al. Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update. *Commonwealth Fund pub.* 1139 Vol. 38. http://www.commonwealthfund.org/Content/Publications/Fund-Reports/2008/May/Rite-of-Passage--Why-Young-Adults-Become-Uninsured-and-How-New-Policies-Can-Help--2008-Update.aspx Accessed April 17, 2009.

While young adults are generally a healthy group, we all know that living without insurance compromises young adults' access to the health care system and therefore puts their health at risk (not to mention their financial status). Research by the Commonwealth Fund confirms what we see in our health centers everyday: as a result of no insurance coverage, young adults forgo critical care; two-thirds (66%) of young adults ages 19-29 who had a time without health insurance coverage in the past year said they had gone without needed health care because of cost. They report – in large numbers – not filling a prescription, not seeking care when sick and skipping medical tests, treatment, or follow-up.[2]

As a leading reproductive health care provider, Planned Parenthood appreciates that young adults, particularly women, are in need of regular preventive care. It's important to note that many of our core services like family planning, cancer screening, sexually transmitted infection testing and treatment –are time-sensitive and can't wait. Data show that there are 3.5 million pregnancies each year among the 21 million women ages 19 to 29 and that one-third of all HIV diagnoses are made among young adults. Reproductive health care services, including family planning services, are critical to the health and well-being of the women and families of New York.

Moreover, millions of women rely on women's health centers for basic health care. According to a new report recently published by the Guttmacher Institute, more than six in 10 women who obtain care at a family planning center consider the center to be their usual source of medical care.[3] For Black and Latina women, uninsured women, and women living below 100% of poverty, the number of women who consider their family planning center their usual source of care is even higher -- more than 7 in 10. Given this trend, Planned Parenthood of New York City acts as a gateway to other health care providers. Our health centers often serve as the first referral point when any serious conditions are discovered.

New York is making strides in coverage for young adults

New York City and New York State have been making great strides in expanding coverage for eligible yet uninsured New Yorkers. Recent improvements in the application and recertification processes will undoubtedly have a great impact on increasing enrollment.

When it comes to improvements specifically for young adults, we are disappointed that Governor Patterson's proposal to expand coverage of dependents up to age 29 under parents' insurance policies didn't make into the final bill. This would have been an important policy step to help expand coverage for uninsured young adults and prevent others from losing coverage in the future. We fully appreciate that New York State is facing unprecedented fiscal challenges. However, we believe this financial crisis is the exact reason we need to invest in prevention and ensure insurance coverage. We urge the New York State legislature to reconsider this insurance expansion in the future.

At the City level, we are grateful for the partnership we have with the New York City HRA. Over the course of the past ten years that we have been doing on-site screening at Planned Parenthood, we have developed an exceptional relationship with HRA staff who assist us with troubleshooting cases with clients. Ninety-nine percent of the cases we do at PPNYC are accepted, but we contest the 1% that are initially denied; HRA staff works with us closely and is extremely responsive to this follow up. Additionally, we collaborate with them on rolling out new initiatives, including the introduction of the Family Planning Benefit Program (FPBP) in 2002.

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[2] Ibid.

[3] Gold, RB et al., Next Steps for America's Family Planning Program: Leveraging the Potential of Medicaid and Title X in an Evolving Health Care System, Guttmacher institute, 2009. http://www.guttmacher.org/media/nr/2009/02/23/index.html Accessed April 20, 2009.

Most recently, we have initiated scanning our applications to HRA, which means we receive approvals very quickly, and there are fewer errors with regard to denials. While this is great news from an administrative and financial perspective, this is even better news for our patients who, as a result, receive their cards and are insured more quickly, giving them improved access to coverage. At the moment, this streamlined process is only available for Medicaid for pregnant women. We urge HRA to implement the same streamlined process for FPBP.

Barriers to access for young adults

Despite vast improvements in sate eligibility requirements and the enrollment and recertification processes, significant barriers to coverage still exist:

Confidentiality is key; Insurance coverage must be aligned with confidentiality concerns

The import of patient attitudes about confidentiality in health care cannot be emphasized enough – especially when it comes to reproductive health care services.

Study after study show that adolescents are more likely to forgo medical care if services are not provided confidentially.[4,5,6] Thus it is not surprising that, on the flip side, when young people are assured that providers will respect their right to confidentiality, they are more likely to seek care.[7]

Although confidentiality is particularly significant for young people, we do not want to give the impression that they are the only sector concerned with maintaining privacy. PPNYC knows that young adult and adult women also expect that their services will be kept confidential from their family members and sometimes their partners.

Unfortunately, because of "EOBs" (Explanation of Benefit letters) and lab result letters, etc, confidentiality is at odds even with the best-intentioned plans. We urge the City and State to keep the issues of confidentiality top of mind when working toward expanding coverage in New York. In order to significantly decrease the large numbers of young adults who are uninsured, underinsured and privately insured but "unable to use," New York State must seek out creative solutions that align consumer's fundamental need to confidential services with insurance eligibility and utilization.

Documentation requirements are onerous on all consumers, especially young adults

I'm sure you have all had constituents present at your district offices needing assistance with the application and enrollment process – it's no secret to anyone that the documentation requirements are very burdensome. Everyday in our health centers we see patients forgo enrollment (despite their eligibility) because of them.

In fact, many of our clients opt to enroll in the Family Planning Benefit Program (FPBP) - despite its narrower coverage – because of the easement of documentation requirements, short application, quick turnaround time, and the absence of managed care involvement. Despite the eased documentation requirements, providing proof of items such as recent, monthly income is particularly difficult for some of our working patients.

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[4] Cheng TL, Savageau JA, Sattler AL, DeWitt TG. Confidentiality in health care. A survey of knowledge, perceptions, and attitudes among high school students. *JAMA.* 1993; 269: 1404-1407.

[5] Ford CA, Bearman PS, Moody J. Forgone health care among adolescents. *JAMA.* 1999; 282:2227-2234

[6] Ford CA, Engliah A, Sigman G. Confidential health care for adolescents. *Journal of Adolescent Health.* 2004;35:160-167.

[7] Ford CA, Millstein SG, Halpern-Felsher BL, Irwin CE Jr. Influence of physician confidentiality assurances on adolescents' willingness to disclose information and seek future health care. *JAMA.* 1997; 278: 1029-1034.

We urge New York City and State to move forward with "backdoor verification" to ease the documentation requirements and remove the onus from the consumer. Most of the necessary data that consumers need to present already exists in other City and State databases and can be taken care of "behind the scenes" -- enabling this backdoor verification would help close the gap of the eligible yet uninsured New Yorkers.

Young adults are transient: Remove requirement to apply in county of residence

As we are all aware, this age cohort moves around a lot – especially the college student and recent graduate populations. Despite the fact that Medicaid has uniform eligibility requirements statewide, there remains a statewide requirement that you have to apply for Medicaid in your county of residence. We believe the elimination of this rule would go a long way in easing the enrollment/use of public insurance for young adults. We urge the City Council to use your voice to advocate for the elimination of this unnecessary, but onerous, barrier to coverage.

College policies often lack critical reproductive health coverage

Although we often assume "young adults" are post college age, at many of New York City's colleges and universities, the student population is diverse in age. We often see young adult college students in our health centers that don't have reproductive health coverage as part of their student health plan. Ensuring that all college students have comprehensive coverage is another strategy for the City and State to explore in your efforts to expand health insurance coverage for young adults.

Summary of recommendations

In order to increase health insurance options for young adults, prevent others from losing coverage in the future, and further close the gap between uninsured but eligible New Yorkers, Planned Parenthood offers the following 6 recommendations:

1. Extend eligibility for dependents up to age 29 under parents' insurance policies.
2. Allow a streamlined application process for FPBP and other public insurance programs.
3. Explore creative solutions that align consumer's fundamental need to confidential services with insurance eligibility and utilization.
4. Utilize backdoor verification processes to ease onerous documentation requirements.
5. Eliminate requirement that consumers have to apply for Medicaid in county of residence.
6. Ensure that all colleges and universities offer affordable, comprehensive coverage.

Conclusion

Thank you again for the opportunity to testify today. Planned Parenthood is committed to promoting the health and well-being of all New Yorkers. We hope you will call on us if we can be of any more assistance.

My name is Red Samaniego, I am 20 years old and already in medical debt. I am a Barnard College student and have health insurance during the school year through the college. I am not covered by my parents health care plan and am financially independent. This past summer, while visiting a friend in Westchester we went swimming in the lake by her house and decided to jump off some rocks into the water like we had seen some other teens doing earlier in the day. I went first, but my jump did not go well. I hit the water crooked and the skin on the back of my legs came off with the force. My friend's parents made me go to the emergency room, were nurses took my blood and a doctor examined my pelvis and ribs for possible bone fractures. At first, I refused the X-rays the doctors suggested because I knew that my health insurance through the school did not extend into the summer, and the doctors would not tell me how much the x-rays would be. When my blood work came back, my levels were abnormal and the doctors told me I might be internally bleeding. This made me afraid enough to accept the x-ray tests as well as several other tests. The doctors suggested I take painkillers for the pain I was experiencing, though I was hesitant to do so because in the past they have made me feel woozy and uncomfortable. Long story short, after several tests at the hospital I ended up signing a waiver that said I was leaving against the guidance of the doctors because I was afraid of the medical expenses for an overnight stay. It turned out that I was fine though, and the only medical injury I had was the damaged skin on the back of my legs, which I treated with an over the counter anti-bacterial cream. The bill for around 7,000 dollars came a month later.

I didn't have money to pay it and applied for financial aid, which took a long time and was extremely complicated. Calling the financial assistance help line was confusing, and each time I had to speak to a new person. Many of the documents needed for the applications I did not have, such as proof of residence- I live in a college dorm and do not get monthly bills for cable TV or phone service sent there. I finally received financial aid, but I still owe the hospital around 700 dollars- double the amount in my bank account. I do not know who to go to for help.

The accident really changed me. I am afraid of what the hospital bills will do to my credit and don't know when I will be able to pay them. I didn't really think I would have to worry

about health insurance so early, I'm only 20 and am just trying to get through college. I already have taken out loans to go to school, and being young and already in so much debt is terrifying. Now, I am very cautious about everything I do. I do not run or play sports anymore because I am afraid on an injury. The bills that come in my campus mailbox remind me monthly of my situation, and I feel anxious and stuck. I think my story is important because it shows that health care is an issue that applies to everyone, not just the very sick or the elderly. Thank you for your time.

April 23, 2009

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Chairman Rivera, Members of the New York City Council Committee on Health, distinguished guests, thank you for your generous invitation to testify today on the issue of health care access among New York City's young adults. My name is David Marcus. I am a senior medical student at the SUNY Downstate College of Medicine in Brooklyn and a Board Member of the Physicians for a National Health Program, an organization of 16,000 physicians, medical students and health professionals. I am also the COO of the Brooklyn Free Clinic, an organization that provides high quality, free, comprehensive medical care to uninsured adults.

Eighteen Going on Nineteen...

Young adults, aged 19 to 29, are the fastest growing segment of the uninsured population, though they already are twice as likely as older groups to be uninsured. Despite representing only 17% of the non-elderly adult population, young adults make up more than 1/3 of uninsured adults, who in general tend to be young, poor, minorities. In fact, 53% of Hispanic young adults, and 36% of African American young adults are uninsured, compared to only 23% of whites in the same age group. My own experience has also shown this to be true, as a recent sample of BFC patients showed that ½ of our patients are under 30. Conservative estimates place the number of uninsured young adults in New York State at 800,000. The ramifications of this problem on New York City, given our diversity and young demographics, are clearly concerning.

Why so many, why so sudden? The 19th birthday is the time when adults age out of their parents' insurance plans or out of sCHIP. Those whose parents have employer based insurance may extend their coverage if they attend college, but in 2005 only 40% of employers offered extensions. Since then several states have mandated dependency extensions; NY is also considering such a proposal. Children of lower income families without employer sponsored insurance are often not so lucky. In fact, most low-income uninsured young adults aging out of sCHIP are not themselves eligible for Medicaid and cannot afford insurance premiums on the individual market.

It is said that young adults refuse health insurance due to a sense of invincibility. And yet, research shows that only 16% of young adults decline insurance when offered it through their employers. Of these, only 1% thought that they didn't need it. The rest couldn't afford it. Young people know they need health care, and want to get it, but 84% of those who are employed cannot access it. Additionally, people employed by the construction, hospitality, food service and entertainment industries have the highest rates of uninsurance. Nationally, 36% of younger low-income workers are employed by these industries. In New York City the numbers are even higher. Consider the many artists and entertainers New York City is so famous for. They are mostly freelancers or part time service employees and have no way of obtaining health care. As one young musician was recently quoted in the New York Times, "It's not like I think I'm invincible, I'm 29, the world can't touch me. It's the very opposite of that. I've got to make rent and eat."

No Insurance, No Problem

Uninsurance is only part of the problem. 40% of the non-elderly adult population is under-insured: they cannot afford care even with insurance. Raise your hand if you have had to use your health insurance recently. Now, keep your hand up if you have had trouble with your insurer; I know I have. And despite the high premium I pay, my Asthma medication still costs $50 every month. You see, you don't know that you're under-insured until you try to use your insurance. Being underinsured is almost as bad for your health as being uninsured. In fact, most under-insured and un-insured adults skipped medication doses or went without due to cost. This population is also more likely to visit the ER for care of chronic conditions. Additionally, uninsured adults are less likely to get regular screenings for Cancer and heart disease, they stay sicker for longer, and their care becomes much more expensive.

Can't buy me health

We must end our reliance on private insurance. Visions of free market competition between insurance plans benefitting the public have not, and will not, come to fruition due to misaligned accountability. Let's try a simple exercise: imagine that you are shopping for a car. You know what you'll be using the car for – tooling around town, taking your kids to soccer practice – you know how much cargo space you'd like, the engine size, even the color. As you enter the marketplace you know your needs and how to balance cost and amenities. Now, let's consider health insurance. If you have a choice - 42 % of people are offered only one plan – you will need to consider several questions: benefits, high vs. low deductible plans, doctor's visit copays, doctors "in" and "out" of network, and the amount of prescription coverage provided, to name but a few. Remember that all of these decisions need to be made while you are relatively healthy, and not in need of anything but annual check-ups. Who in this room can say whether they will, god forbid, be involved in an automobile accident and require long-term rehabilitation? Who here will get cancer? When? What if your high blood pressure leads to a stroke or heart attack? Or, if you already have one of these conditions, what new therapies may be on the horizon or are already practiced, but not covered?

You just don't know. I don't know. I guarantee you that your doctor doesn't know. Medicine is full of too many uncertainties for us, as consumers, to be able to make fully informed insurance decisions. We cannot know our future medical needs.

For-profit private health insurance, bad for you, bad for me

What we do know is that 1 out of every 3 women and 1 of 2 men will develop Cancer; 1 of every 8 women will develop Breast Cancer. On average, 10% of us will have serious heart disease - some of us sooner than others. We know on a population basis what to expect, and how much it will cost. The private insurers know too, but they also know of ways to minimize their risk, something we cannot do. Think about this as an insurance executive. Every dollar you spend on health-care is one less dollar to your bottom line. And though you need to reimburse for medical care per accepted standards, as a publicly traded entity your fiduciary responsibility is to your shareholders. It is in your best interest to minimize the amount of money you spend on your customers; you need to cut your medical loss ratio. To do this, insurers compete amongst themselves for risk, cherry-picking the low risk people out of the insurance pool. Additionally, insurers deny claims, unilaterally cut reimbursements to providers and make the whole process unnecessarily burdensome. Then, to further cut expenses, they market "cost-sharing",

"ownership" plans with high out-of-pocket expenses that save the insurers money and also discourage patients from seeking needed medical care – leaving you on your "own".

Insurance does not equal health care

Marketing, underwriting, profits, and cumbersome bureaucracy all lead to unnecessary waste. Private for-profit insurers' operate with an overhead of almost 30%. 30%! That means that 30 cents of every healthcare dollar put into these companies are shunted away from medical care. Proposals that seek to expand private insurance to everyone, through mandates similar to the Massachusetts plan, will merely put more public money into an inefficient private system in which the people have no say. MA has actually found that it cannot make private insurance affordable. The state has had to provide exemptions for many low- and middle-income families who could not simultaneously put food on the table and pay for insurance, "permitting" them to remain uninsured; MA cannot make it truly universal, and those who need it most are left bare. Continuing our reliance on private for-profit insurance is just like pouring more water into a bunch of cracked buckets. We'd be better off getting one, new, good bucket instead.

A system designed to provide care, not deny it

There is an unavoidable conflict between profits and care. In my short medical career I have seen several demonstrative cases, but one stands out in particular. Early last year my team was taking care of two almost identical patients. They both had the same degree of late heart failure, the same severe symptoms. Both had insurance, and specialists determined that both needed an intervention known as an ICD to improve their quality of life. One was offered the treatment immediately, while the other was instructed to be discharged and then to receive the treatment as an outpatient. "What is the difference?" I asked. The specialist patiently explained to me that the first patient's insurance would pay well for the procedure, while the other's insurance would give the hospital a very hard time. Since there was no urgent need for the ICD the patient with "bad" insurance could receive another temporizing measure until payment was verified. So did one get an unnecessary intervention, or did the other not get a needed treatment?

Realizing that we don't really have a health care system today but have simply let one accident of history follow another, consider designing a system around providing care. A system where your health care decisions are made between you and your provider without bureaucratic interference, where streamlining prevents waste, where the poor and sick are not dumped by the wayside, and where there is no conflict of interest between the system's motivations and yours. In this system you are covered from before birth throughout your entire life. All medical care is provided based on medical need, not financial ability, and everyone is enrolled so we have the largest risk pool possible, and thus the lowest individual risk without excluding the most vulnerable populations. By keeping things simple administrative overhead will be as low as 5%, and these savings doesn't even begin to consider the savings to hospitals and doctors. All of this will happen under a single payer system: one risk pool and one payer, for one nation; and all with the freedom to continue our current arrangements with providers or to choose new ones, anywhere in the country.

A New York Story

Young adults are the fastest growing uninsured population, even though they are already disproportionately represented. This is especially true of low-income and minority young adults. They are

uninsured for multiple reasons, but it is not because they don't want it, rather, they can't afford it. A city founded upon diversity and sustained by its young and energetic population owes this group its attention.

Expanding private insurance will only make matters worse by putting more of our money into broken, unjust, and wasteful enterprises. Private health insurance costs us too much but adds no value. And in any case, mandates don't work. At best, Gov. Paterson's proposal to extend parental insurance coverage to age 29 would reach only 10% of our 800,000 uninsured young adults, as demonstrated by experience in New Jersey and other states. The shortcomings of auto insurance, childhood immunizations, and minimum wage laws are more living proof.

On the other hand, a publicly funded, privately delivered single payer system as described in the Conyers/Kucinich bill, HR676, will truly help us all. New York City, especially, would gain by being relieved of the enormous cost of uncompensated care provided at HHC hospitals and clinics. These facilities would further save by cutting down on the administrative costs generated by dealing with multiple insurers and their variable and unpredictable reimbursement patterns. Additionally, Emergency Room waiting lines would be shortened since the under- and un-insured would all have access to regular medical care.

Finally, the young adults of this city, drawn to New York by our cultural, scientific, academic, and artistic opportunities, will no longer have to make do by scrounging for old antibiotics from friends, engaging in online self-diagnosis or splitting pills. Instead they will be free to maintain their health, to pursue their interests and to continue contributing to our city's unique character.

There has never been a better time for real health care reform, and as the nation is finally moving in the right direction we are hopeful that the City Council will take note of this moment in history and will pass the pending resolution in support HR676.

THANK YOU.

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New Yorkers For Accessible Health Coverage

Oversight Hearing- Health Insurance Options for Young Adults

New York City Council Health Committee
April 23, 2009

Testimony By:
Heidi Siegfried, Esq.
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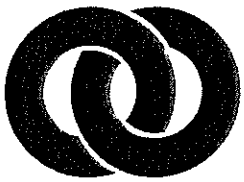
NYFAHC



Good Afternoon. My name is Heidi Siegfried and I am here today representing the interests and concerns of New Yorkers for Accessible Health Coverage (NYFAHC) which includes more than 50 New York State organizations that provide services counseling, education and outreach to New Yorkers with serious illnesses and disabilities. NYFAHC is a project of Center for the Independence of the Disabled, NY. We appreciate the opportunity to share with you some thoughts about health insurance coverage for young adults and recommendations for coverage expansion.

Young adults, ages 19 – 29, are a disproportionately large segment of the uninsured. Although they comprise 17 % of the under 65 population, they account for almost 30% of the non-elderly uninsured.

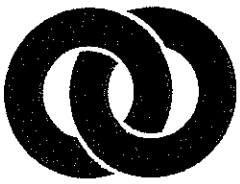
Although young adults in the aggregate are a healthy group, young adults with disabilities and serious illnesses, such as diabetes which requires ongoing treatment, must have access to health insurance coverage. Young adults have higher pregnancy rates, HIV/AIDS rates and rates of injury from accidents than older adults. They need coverage in order to get preventive health care and to protect against medical debt. Uninsured young adults are two to four times more likely than their insured peers to forgo care or prescriptions due to costs and are less likely to see a medical provider or have a usual source of care. Uninsured young adults are 20% more likely to report trouble paying medical bills or are carrying medical debt.

Twenty five states have attempted to address the young adult coverage issue by extending dependent coverage for young adults. In February 2009 NYFAHC had Joel Cantor of Rutgers Center for State Health Policy come to our monthly roundtable meeting to discuss research they are conducting right now to develop detailed descriptions of state adult dependent coverage policies, evaluate the impact on coverage of young adults, and assess the implementation and possible unintended consequences. His power point is available on the NYFHAC pages of CIDNY's website at http://www.cidny.org/cidnyweb/npo.jsp?pg=detail35&tab=Monthly%20Round%20Table , they expect to have their econometric study of the impact on coverage available in fall 2009 and four case studies of dependent coverage expansions available in early 2010.

Some of the arguments for young adult dependent coverage legislation that Mr. Cantor outlined are the following:

- More young adults will be covered
- Healthier lives will be added to the risk pool
- There is little or no need for state resources
- Little or no burden on employers
- It is a voluntary program

While we will get better information on just how many additional adults are covered with these expansions in the fall, we do know that New Jersey's enrollment gains are modest, at best -- after three years only 15,000 of approximately 360,000 uninsured young adults had enrolled.



Last December Governor Patterson announced a forthcoming proposal to extend dependent coverage to 19 - 29 year olds regardless of student status or actual dependency. While we have not yet seen any language for this proposal, it has been described as a "COBRA like" benefit which would age rate these people in a separate pool in order to achieve lower premiums. This proposal would not support the second argument for expanding dependent coverage -- adding healthy lives to the risk pool -- and we believe it is the first step in eroding community rating. We are proud of New York's pure community rating. New York does not allow discrimination on the basis of age, gender, or health status in insurance offerings. We believe that the inequities of an employer paying a higher premium for a 19 - 29 year old employee than another employee pays to cover his child aged 19 - 29 will put pressure on New York to further expand age banding and that discrimination on the basis of medical health status could be next.

We have no objection to expansion of dependent coverage, but believe it should be done by including the dependent child in the larger risk pool as other states have done. The premium setting rules in 12 states have the cost averaged into the group family premium. Eight states establish premiums for new dependent enrollees, with many requiring a rate of 100% to 102% of the child dependent rate.

The legislature should seek other ways of covering this group, such as Family Health Plus and Family Health Plus Buy-in. In this year's budget New York State established the authority to expand Family Health Plus to 200% of the Federal Poverty Level (FPL) contingent on a federal waiver. The Commonwealth fund reports that 72% of uninsured young adults ages 19 - 29 have incomes below 200% FPL. This coverage option would allow young adults to access coverage without the necessity of having a parent with employer coverage. Family Health Plus buy-in on a sliding scale similar to Child Health Plus would be another no additional cost option for the state.

Thank you for your time and consideration.