



NEW YORK STATE SENATOR

Joseph P. Addabbo Jr.

Addabbo: Health Care Concerns on the Rise

JOSEPH P. ADDABBO JR May 21, 2012

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Creation of State Health Care Exchange Also Creates More Uncertainty

Queens, NY, May 21, 2012 – Last month, Governor Andrew Cuomo issued an Executive Order creating a statewide health insurance exchange, which he said would bring “true competition into the health care marketplace, driving costs down across the state.” The Governor’s actions dealt directly with the issue of complying with the federal Affordable Care Act, which is being debated in the Supreme Court over its constitutionality and validity. According to **NYS Senator Joseph P. Addabbo, Jr.** (D-Queens), explaining the impact of the state’s health insurance exchange to the average resident is an addition to the other concerns people have about the future of their health care. “With the major changes in health care on the governmental level, many of my constituents have questions that must be answered with accurate information,” Addabbo commented. He stated that his office, which has a dedicated staff member for such health-related issues, has seen a huge increase in individuals with health care concerns.

The state health care exchange will be entirely financed by the federal government and will be instrumental in establishing the first-ever comparative marketplace to bring down the cost of health insurance. If New York failed to establish an exchange, the federal government would have stepped in and created a federally operated exchange in the state, in order to comply with the Affordable Care Act. Governor Cuomo emphasized that the state is expecting federal financing to set up the exchange and has already received \$88 million in federal grants to plan for its health exchange. In order to save on administrative costs, the Executive Order set up the exchange within the State Health Department.

By decreasing the cost of insurance, the exchange will help more than one million uninsured New Yorkers afford health care coverage. Currently, New Yorkers subsidize the health care costs of the 2.7 million residents of the state without health insurance. Many of these residents forgo preventive treatment which puts their own health at risk and costs the state more than \$600 million annually to pay for the hospital bills of the uninsured. The exchange will allow residents to obtain health coverage and facilitate the purchase of health plans. Additionally, the exchange will ensure that eligible small businesses and individuals will have access to tax credits and cost-sharing reductions from the federal government totaling \$6.2 billion.

Senator Addabbo said the exchanges would allow for open competition between health insurers which will drive down costs and improve services, ultimately creating a better value for the consumer. The exchange, a plan where people and small businesses will be able to shop for insurance coverage, would also direct individuals to Medicaid, if they are eligible. Addabbo stated that he is concerned with the cost of insurance for seniors and that is an issue under the exchange. "There are still numerous issues with the exchange that must be addressed before it can be implemented. The extent and cost of a person's health coverage is a critical matter for me," Addabbo stated. The Senator encourages those who have questions about the state's health care exchange or other health care issues to contact his office.

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