STAT News

STATE UPDATE: Marketplace 2017 Rates Released

November 16, 2016 begins the start of open enrollment – the fourth season since the New York State of Health insurance marketplace became operational in 2013 under the Affordable Care Act. The Department of Financial Services recently approved an average 16.6 percent premium increase for individual plans, a 2.7 percent reduction from the 19.3 percent requested by insurers. For the small group market, the department approved an average 8.3 percent increase, a 4.0 percent reduction from the 12.3 percent requested by insurers. Rising medical costs, especially the high cost of specialty pharmaceuticals, drove the rate increases.

More than 2.8 million people signed up for health insurance through January 31, 2016, the date the third open enrollment season ended, according to the New York State Department of Health's 2016 Official Health Plan Marketplace Report. Overall enrollment increased by 33 percent from 2015. Since the Marketplace opened in 2013, the number of uninsured New Yorkers has declined by nearly 850,000.

The fourth open enrollment season will end January 31, 2017. On Long Island, the Nassau-Suffolk Hospital Council, a hospital association that is part of the Suburban Hospital Alliance, is one of three state-appointed navigator agencies serving the region. The Hudson Valley region is serviced by the Community Service Society of New York, Maternal Infant Services Network of Orange, Sullivan and Ulster counties, and the Westchester County and Rockland County Departments of Health.

FEDERAL UPDATE: Hospitals Question Regs Governing Outpatient Clinic Services Payments

The proposed rule issued by the federal government directing reimbursements to hospital-based outpatient departments under the site-neutral provisions of the Bipartisan Budget Act of 2015 is inflexible and unworkable, according to hospital leaders. The agency seeks to make no facility payments to newer "non-excepted" hospital outpatient departments (those that began billing after November 2, 2015 either due to pending construction or planned expansion) for services they provide to Medicare beneficiaries beginning in 2017. These services could include labs, imaging, and nursing among others; only physician services would be reimbursed under the proposal. The Bipartisan Budget Act precludes hospitals from receiving the higher outpatient reimbursement rate for off-campus, hospital-owned clinics that opened after November 2, 2015, when the act was passed. Clinics that were already providing services on that date are considered "excepted" and will continue to receive the hospital-based rate, but according to the proposed rule they will lose their grandfathered status if they relocate and expand. The Bipartisan Budget Act's 2015 law established a site-neutral payment policy. Care is reimbursed at the same rate regardless of whether the care is delivered in a physician's office or hospital-based clinic, which has higher overhead expenses. Hospital leaders maintain that this new proposed rule hinders the ability of hospitals, particularly those in landlocked and dense suburban regions, to expand care into communities. Ironically, federal reform efforts are asking hospitals to provide more integrated, primary care. Hospital leaders are asking the federal government to delay implementation of the site-neutral rules.

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