



NEW YORK STATE SENATOR

Thomas P. Morahan

## New Health Care Laws

THOMAS P. MORAHAN August 20, 2009

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I want to make you aware of two new laws that were recently signed that will help make health insurance more accessible for New York residents. I supported and voted for both of these measures during this year's Senate session to help make health insurance more affordable for both families and young adults as our state recovers from the current economic crisis.

The first reform to the health care system in the state extends the period of time for employees who lose their jobs to utilize COBRA (the federal Consolidated Omnibus Budget Reconciliation Act) to maintain their health insurance from 18 to 36 months.

COBRA, which is a safety net program that provides the recently unemployed the ability to continue purchasing group health insurance provided by their former employers' group health plans for themselves and their families after they leave the company or business, allows them to maintain health insurance at a lower cost than if they had to buy it independently on the open market. The Federal COBRA generally applies to employers with 20 or more employees, while the State's "mini-COBRA" law requires that smaller employers – those who have fewer than 20 employees – offer the same continuation coverage.

By extending the time period for New Yorkers to access this program, this new law will make sure that those who lose their jobs during these tough economic times are protected. People all across our state – through no fault of their own – are losing their jobs and it is important that New York State is there to help them get through these tough times. The COBRA program has been extremely helpful to many families by providing them with some peace of mind at one of their lowest points and extending people's access to this safeguard is extremely important right now.

The second health care measure signed into law requires insurers to allow unmarried children through age 29 – regardless of financial dependence – to be covered under a parent's group health insurance policy. This change is designed to make sure that health insurance is accessible to young adults. This will be especially helpful since those aged 19 to 29 make up 31 percent of uninsured New Yorkers.

This lack of insurance is partially due to the fact that many of these young adults are employed in entry-level jobs that fail to provide employer-based health insurance while at the same time they are losing their eligibility for coverage under their parents' policies. Since that forces them to find individual health insurance policies, which are significantly more expensive than group policies, it is nearly impossible for them to get insurance.

Under the new law, the premiums for these young adults will be the responsibility of the families and not the employers. But the coverage would save them money overall because coverage under group policies is far more affordable than individual policies.

To further the reach of this change, the law requires insurers to offer employers an option to purchase coverage that includes young adults as dependents in family policies through age 29. According to the language of the new law, this change would take effect on September 1 and would apply to all contracts issues, renewed, modified, altered or amended after that date.