

**Written Testimony of:**

**Julie Mark Cohen, PhD, PE, SECB  
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NYS Sole Proprietor, Certified since 2001 as a NYS Woman-Owned Business Enterprise  
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**Presented to:**

**Senator Kemp Hannon, Chair of the New York State Standing Committee on Health  
and  
Senator James L. Seward, Chair of the New York State Standing Committee on Insurance  
for the  
01/13/2014 NYS Senate Public Hearing on  
"New York State of Health: A discussion on implementation."**

**Introduction of Myself**

I am a healthy female, 61 years of age, who is a New York State Sole Proprietor.

For health insurance, I have always expected to be able to purchase the policy that I want and need. It is unacceptable to me that I am being forced to purchase an inadequate individual policy at a higher price.

I inherited severely nearsighted (myopic) eyes. To date, I have met only half a dozen people with nearsightedness equal to or worse than mine whose vision is correctable with glasses or contact lenses.

In May and June 1974, I underwent retina surgeries to correct congenital defects. At that time, I did not have sufficient life experiences to understand the importance of seeking out a competent specialist. Luck played the role of what should have been a careful search for the optimal specialist. Fortunately, I was directed to Albany Medical Center where I became a patient of two retinologists, renowned in the Northeast for their expertise. These highly competent, communicative gentlemen were sought out by patients from New York City, Boston, and other large cities. Some time ago, they moved to larger cities.

- Lesson No. 1: Don't rely on extraordinary luck repeating itself. That is, plan to search for the most competent and communicative specialist who has a stellar record of success with severely myopic eyes.

After the eye surgeries and one year later when I became responsible for my own health insurance, I quickly became acutely aware of how important it would be for me to have health insurance coverage that gives me access to eye specialists for the rest of my life.

- Lesson No. 2: Maintain appropriate health insurance that covers second and third opinions (i.e., interviews) to identify the most experienced, communicative eye surgeon and covers his surgical expertise and the hospital with which he is affiliated.

## Unacceptability of PPACA-compliant Individual Policies Forced on Me, a NYS Sole Proprietor

The PPACA with lack of attention by NYS's Executive and Legislative branches precludes me from purchasing a group health insurance policy and, thus, forces me to purchase an individual policy with geographic, doctor, and hospital limitations. These limitations preclude me from seeking out medical expertise from eye specialists for anticipated cataract surgeries and any other eye or general health problems that may occur which require a specialist.

That is, the PPACA prohibits me from purchasing what the NYS of Health's Executive Director Donna Frescatore describes in her attached letter as "comprehensive health plans that meet [New Yorkers'] needs."

Starting in 2014, for adequate medical care, my only option is to pay out of my own pocket at non-negotiate rates for out-of-network services and hospital care. From my investigation, insurance providers of individual policies (Empire BCBS, Blue Shield of NENY, MVP, and CDPHP) will only grant "medical necessity" waivers for one to two percent of the requests, typically for life-saving procedures. As such, the odds are too small too guarantee for health insurance coverage for out-of-network providers.

Why am I being forced to purchase health insurance that does not meet my needs? Why am I forced to pay for eventual procedures out of my own pocket at non-negotiated rates?

## Comparison of My 2013 and 2014 Health Insurance Policies

Below is a table with a general overview of my 2013 and 2014 health insurance policies.

My decisions to purchase HSA-eligible policies were based on a weighted combination of my finances, my good overall health, and probable short-term uses of these policies.

2013 health insurance policy	2014 health insurance policy
<ul style="list-style-type: none"><li>• Small group insurance policy purchased under NYS Law, Chapter 557, through the Colonie Chamber of Commerce.</li></ul>	<ul style="list-style-type: none"><li>• PPACA-compliant policy purchased through the Albany-Colonie Regional Chamber of Commerce.</li></ul>
<ul style="list-style-type: none"><li>• MVP: Preferred EPO HDHP with HAS.</li></ul>	<ul style="list-style-type: none"><li>• Empire Blue Cross Blue Shield: Essential Guided Access with HSA, cdib. (An HMO.)</li></ul>
<ul style="list-style-type: none"><li>• \$2500 deductible</li></ul>	<ul style="list-style-type: none"><li>• \$2450 deductible</li></ul>
<ul style="list-style-type: none"><li>• \$5000 out-of-pocket maximum</li></ul>	<ul style="list-style-type: none"><li>• \$6350 out-of-pocket maximum.</li></ul>
<ul style="list-style-type: none"><li>• No maximum for lifetime maximum benefits.</li></ul>	<ul style="list-style-type: none"><li>• No maximum for lifetime maximum benefits.</li></ul>
<ul style="list-style-type: none"><li>• In-network coverage in local/regional geographic area through MVP.</li></ul>	<ul style="list-style-type: none"><li>• In-network coverage in NYS, <b>but too many NYS MD specialists will not accept this and other individual policies.</b></li></ul>
<ul style="list-style-type: none"><li>• Out-of-network (national) coverage through MVP's parent company, Cigna.</li></ul>	<ul style="list-style-type: none"><li>• <b><u>No</u> out-of-network coverage.</b></li></ul>
<ul style="list-style-type: none"><li>• \$388.24/month for Sole Proprietors.</li></ul>	<ul style="list-style-type: none"><li>• \$388.79/month (Currently, it is unclear if an extra fee is required for children's dental).</li></ul>

On the surface, my 2013 and 2014 health insurance policies appear to be nearly identical. However, they are markedly different for the following reasons:

- The overview in the table does not include information on co-payments for 2014. For these, I will have to pay more out of my pocket in 2014 than for my 2013 policy.
- The cost of my 2014 policy is *solely* for "geographically local" coverage. No provisions exist within this or other individual policies for out-of-network coverage. If these provisions existed, they would *increase* the cost of this 2014 individual policy.
- The 2014 individual policy does *not* have access to NYS eye specialists, because these MDs are not accepting insurance from *any* individual policies, including HMOs and non-HMOs, such as the PPO offered by BlueShield of NENY.
- The 2014 policy does *not* provide out-of-network coverage for out-of-state eye specialists or any other type of specialist and their affiliated treatment centers (i.e., hospitals).

#### Concluding Remarks

- I want and need to purchase affordable health insurance policy that is comparable to my 2013 group policy with out-of-network (national) coverage.
- I will *not* use the NY State of Health website. I have declined because my SSN card was stolen in the early 1990s and I do not trust the security of this website. Any subsidy toward the premium cost is not worth the risk of identity theft.
- **I respectfully request that the NYS Senate and Assembly pass legislation so that NYS Sole Proprietors can purchase health insurance (with out-of-network coverage) once again as group members. I am interested in legislation that would permit NYS Sole Proprietors to again purchase group health insurance, perhaps off the exchange.**

Respectfully submitted,

*Julie Mark Cohen*

Julie Mark Cohen, PhD, PE, SECB

11 January 2014

Encl.  
cc: Files



December 19, 2013

Julie Mark Cohen, Ph.D, PE, SECB  
7 Starlight Road  
Latham, New York 12110

Dear Dr. Cohen:

I am writing in response to your recent letter to Governor Cuomo regarding concerns about your insurance coverage.

Consistent with federal rules, starting in calendar year 2014, sole proprietors are required to purchase insurance as individuals on the individual market and are not considered an employer group. This is a change for sole proprietors in New York who previously purchased small group insurance at a premium rate that was 15 percent higher than the small group premium rate. While New York is required to implement this Federal change, we are pleased that the premium rates for individuals will be reduced an average 53 percent for comparable coverage as compared to today's individual direct pay rates. In addition, more than half of the sole proprietors in New York are expected to qualify for a Federal tax credit to further reduce the cost of coverage, resulting in a cost that is below the cost of small group coverage.

In response to your concern about networks, the NY State of Health requires each health plan participating in the Marketplace to have and maintain an adequate network of health care providers. The Health Plan Invitation issued by the Department of Health earlier this year required health plans to offer plans with out-of-network benefits on the Marketplace if they offered such products in the outside insurance market. While plans with out-of-network benefits are available to individuals in some counties of the State, they are not available in all areas. Since the website was launched on October 1, 2013, we have added a doctor search function to the plan selection process. I encourage you to revisit the website to use this tool to search for your providers.

We are committed to helping New Yorkers find comprehensive health plans that meet their needs. The Marketplace Customer Service Center is assisting New Yorkers by answering questions and enrolling them into coverage. Customer Service can be reached at 1-855-355-5777, Monday through Friday from 8:00 a.m. to 8:00 p.m. and Saturdays from 9:00 a.m. to 1:00 p.m. Consumers can also get assistance with their application from one of our certified assistors who are available in communities across the State.

To find a certified broker in your area, please go to our website:  
<http://info.nystateofhealth.ny.gov/resource/find-ny-state-health-certified-broker>.

To find a certified navigator in your area, please go to our website:  
<http://info.nystateofhealth.ny.gov/IPANavigatorSiteLocations>.

Sincerely,

A handwritten signature in cursive script that reads "Donna Frescatore".

Donna Frescatore  
Executive Director  
NY State of Health

