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An Analysis of PPL's Health Benefits

***Testimony before the New York State Senate Hearing on the CDPAP FI Transition
August 21, 2025***

Introduction

Thank you for inviting me to testify today. I will focus on a single aspect of PPL's administration of the CDPAP program: Its health benefit offering. PPL and Governor Hochul have asserted that PPL, unlike previous fiscal intermediaries, offers health insurance, and have cited this as a benefit of the transition to a single FI. In my remarks I will make three points:

- 1) First, PPL does not offer meaningful health benefits to any CDPAP worker, full-time or part-time, in any part of the state. PPL has exploited loopholes in the Affordable Care Act to offer a benefits package that, while technically in compliance with the ACA, is of no use to any home care worker.
- 2) Second, PPL's health insurance benefits leave most full-time CDPAP workers worse off than if they received no offer of health insurance at all, since PPL has structured its benefits offering in such a way as to disqualify employees from state insurance programs such as the Essential Plan.
- 3) Third, PPL's use of wage parity dollars to pay for this health insurance – and the checkered history of the vendor it has selected to administer its benefit plan – raises serious questions about whether PPL is in compliance with the Wage Parity Law.

Section 1: PPL's Health Insurance Benefit Doesn't Cover Anything

PPL currently offers two purported health plans to workers: The "Wellness" plan, which is mandatory for all downstate home care workers, and the "SecureHealth" plan, which full-time workers statewide may purchase at a cost of approximately \$2,400 per year. Neither offers recognizable healthcare coverage.

The mandatory "Wellness" plan presents itself as a regular health plan, but it covers *only* preventive care like annual checkups. *Nothing else is covered.* Hospitalization is not covered, outpatient visits are not covered, ER visits are not covered, surgery is not covered, insulin and asthma

medication are not covered. (See Figure 1.) For example, according to an example provided in the plan documents, an enrollee who had a baby while on this plan would incur \$12,700 in medical costs – and would owe \$12,600 out of pocket. The plan would cover a prenatal checkup, but nothing else.

Again, this plan is mandatory for all CDPAP workers in the downstate region unless they buy into PPL's other plan. The plan is funded with state wage parity dollars. In effect PPL is redirecting funds intended for worker wages and benefits to a plan that doesn't cover much of anything.

The amount of money involved is substantial. For downstate workers, PPL appears to be deducting \$0.40 per hour from their hourly wage parity funding to pay for the Wellness plan and two other indemnity plans; on the basis of 2023 figures on CDPAP hours worked in the wage parity area, I have estimated that the state may be spending over \$80 million per year in wage parity money on these plans.

What about the other health plan? Full-time CDPAP workers statewide have the option of paying for PPL's "SecureHealth" plan at a cost of approximately \$200 per month – a substantial sum for workers who earn as little as \$30,000 per year. Unfortunately, this plan is not much better. The plan has a \$6,350 annual deductible – more or less the legal maximum possible under the ACA – and it covers nothing besides preventive care before you hit the deductible.

To understand what that means for workers, let's take an example – again, this example is drawn directly from plan documents provided to workers by PPL itself. Imagine a worker with Type 2 diabetes. Routine in-network care for well-controlled diabetes, according to the documents, costs \$5,600. According to PPL's documents, this plan would pay just \$180 of that. The other \$5,420 per year would be paid by the patient out of pocket – *every single year*. Until costs rise beyond the \$6,350 annual deductible, he's on the hook. And again, this is the plan workers *pay for* – our diabetic worker is paying \$2,400 a year in premiums for a plan that leaves him with at least \$5,000 in out-of-pocket costs every year.

Needless to say, virtually no CDPAP worker can afford to pay \$5,000 in out of pocket costs every year. Healthy workers will avoid going to the doctor; workers with chronic conditions like diabetes and asthma will simply need to find another job. Very few workers will enroll in this plan in practice – and if they do, it will likely be because they didn't read the fine print and naively assumed that a health plan from a state-sponsored employer would cover things like basic diabetes care.

I want to emphasize that I'm not saying PPL is offering bad health insurance. I've seen a lot of bad health insurance in my career and this is something different. PPL's benefit offerings are better described as *fake* health insurance. It exploits regulatory loopholes in the ACA to technically qualify as a health plan, but it does not provide useful health coverage to anyone.

Section 2: PPL's Health Insurance Renders Workers Ineligible for the Essential Plan and ACA Coverage

Some might argue that even if its health plans don't do much good, they're better than nothing. Previous FIs for the most part offered no healthcare benefit at all, so even a bad health benefit is an improvement.

Unfortunately, this view is wrong, on at least three counts:

- 1) The health plans cost money – money that ultimately comes out of the pockets of low-wage workers, either directly or as a deduction from wage parity funding. Virtually anyone who understood how these plans worked would prefer to receive their pay in cash rather than in unusable health benefits, but workers are forced to pay for the mandatory Wellness plan and may be fooled into paying for the SecureHealth plan.
- 2) A product that looks like a health plan but isn't can be confusing and dangerous for workers. A worker who signs up with PPL, sees a document labeled "PPL Anthem Wellness Plan" in their new hire paperwork, and has perhaps seen PPL and DOH claim in the media that PPL offers health insurance, may naively assume that she actually has health insurance; she may move off her spouse's insurance, let her Medicaid enrollment lapse, attempt to see a doctor about her hip, etc. Only when she attempts to use the health insurance will she realize the truth.
- 3) Worst of all, PPL's health insurance renders full-time workers *ineligible* for the Essential Plan and subsidized individual market coverage – even if they choose not to enroll. Most CDPAP workers are quite low-income and would qualify for free or very low-cost coverage through New York State of Health – but workers who are offered employer-sponsored coverage can't get this coverage. Similarly, a worker who is currently covered on a spouse's insurance or through a pre-Medicare retirement plan will lose that coverage if he receives an offer of coverage through an employer. The Department of Health acknowledged¹ in April that, quote, "an offer of the SecureHealth Plan could make you ineligible for... New York's Essential Plan or a qualified health plan through NY State of Health."

In other words, not only does PPL's health benefit take money out of workers' pockets, and not only does it create confusion, but it actually *disqualifies* workers from health insurance they may already be receiving. This plan really is worse than nothing – workers would be much better off if PPL didn't offer it.

Section 3: PPL's Use of Wage Parity Dollars to Offer Worthless Health Insurance Raises Serious Accountability and Legal Issues

So why *is* PPL offering insurance? Why not just do what most FIs did before the transition – not offer benefits and pay a higher wage in cash? Workers would certainly be better off that way.

One possibility, suggested by DOH in its FAQ on the topic, is that PPL believes it is required by the Affordable Care Act to offer *some* sort of health insurance, and this is – technically – a sort of health insurance. Whether this legal obligation exists is debatable (again, past FIs did not offer insurance), and even if this explanation is true it's scandalous: Under this theory, the state is spending \$80 million per year and rendering tens of thousands of people ineligible for their current health insurance in order to comply with the letter of the ACA while violating its spirit.

A more concerning possibility is that PPL or other entities may be profiting on the sly from this arrangement. New York home care agencies have found ways to do this in the past; just last year,

¹ https://www.health.ny.gov/health_care/medicaid/program/longterm/cdpap/docs/sfi_worker_insurance_faq.pdf

Attorney General Tish James fined two home care agencies \$17 million for a scheme to defraud wage parity using a fake healthcare plan.² In that instance, the agencies used wage parity money to purchase health insurance from a captive insurer they controlled – in effect buying health insurance from themselves and keeping the profits.

It is not possible to say whether PPL may be up to something similar – but there is reason for concern, particularly given the company PPL has hired to administer its benefit. PPL typically describes its health plans as “Anthem” plans, referring to the major national healthcare company, but Anthem will not be operating the plans; PPL is just renting Anthem’s provider network. PPL’s plans will be run by a company called Leading Edge Administrators, and that company has a checkered and troubling history. As revealed in civil litigation and documented in extensive reporting by New York Focus,³ Leading Edge was deeply involved for many years in operating captive insurance schemes that allowed New York home care agencies to evade the spirit of wage parity. Its founder is a former Blue Cross executive who spent 18 months in jail for lying to the US Senate about financial fraud at Empire Blue Cross. And it has a long history of stiffing workers – in one instance attempting to retroactively cancel a worker’s insurance after he entered a coma, for example.⁴ The fact that such a company has been entrusted with administering tens of millions of dollars of taxpayer money should raise serious very serious questions.

Again, it is not yet possible to say whether corruption or financial mismanagement may be at work in PPL’s healthcare scheme. But what we do know is bad enough. PPL is using tens of millions of dollars in taxpayer funds meant for home care workers to offer fake health insurance which not only won’t provide meaningful coverage but will in fact render many workers ineligible for the healthcare coverage they had before the FI transition. It’s a scandal.

² <https://ag.ny.gov/press-release/2024/attorney-general-james-and-us-attorney-general-pease-secure-over-17-million-home-health>

³ <https://nysfocus.com/2025/03/20/home-care-insurance-leading-edge>

⁴ <https://nysfocus.com/2025/04/28/leading-edge-health-insurance-lawsuits-coverage-denials-new-york-home-care> ,
<https://nysfocus.com/2025/06/12/leading-edge-insurance-medical-debt-health-aides>

Figure 1. Extract from Summary of Benefits and Coverage (SBC) for PPL “Wellness” Plan

Common Medical Event	Services You May Need	What You Will Pay		Limitations, Exceptions, & Other Important Information
		Participating Provider (You will pay the least)	Non-Participating Provider (You will pay the most)	
If you visit a health care provider's office or clinic	Primary care visit to treat an injury or illness	Not Covered	Not Covered	No coverage for primary care.
	Specialist visit	Not Covered	Not Covered	No coverage for specialists.
	Preventive care/screening/immunization	No Charge	Not Covered	Includes preventive health services specified in the health care reform law. No coverage non-network. No coverage if services provided in a hospital setting.
If you have a test	Diagnostic test (x-ray, blood work)	Not Covered	Not Covered	No coverage for diagnostic tests.
	Imaging (CT/PET scans, MRIs)	Not Covered	Not Covered	No coverage for imaging.
If you need drugs to treat your illness or condition More information about prescription drug coverage is available at www.anthem.com or call 1-833-271-2374	Generic drugs	Retail: \$0 Co-pay PPACA Mandated Drugs Only	Not Covered	No coverage for prescription drugs, except for PPACA mandated Drugs and Contraceptives. Mandated Drugs and prescription contraception covered at No Charge. Retail: Up to a 30-day supply If you use a non-network pharmacy, you are responsible for any amount.
	Preferred brand drugs	Retail: \$0 Co-pay PPACA Mandated Drugs Only	Not Covered	
	Non-preferred brand drugs	Retail: \$0 Co-pay PPACA Mandated Drugs Only	Not Covered	
	Specialty drugs	Not Covered	Not Covered	
If you have outpatient surgery	Facility fee (e.g., ambulatory surgery center)	Not Covered	Not Covered	No coverage for facility fee.
	Physician/surgeon fees	Not Covered	Not Covered	No coverage for physician/surgeon fees.
If you need immediate medical attention	Emergency room care	Not covered		No coverage for emergency room services.
	Emergency medical transportation	Not Covered	Not Covered	No coverage for emergency medical transportation.
	Urgent care	Not Covered	Not Covered	No coverage for urgent care.

Figure 2. Extract from Summary of Benefits and Coverage (SBC) for PPL “Wellness” Plan

Peg is Having a Baby (9 months of in-network pre-natal care and a hospital delivery)		Managing Joe's type 2 Diabetes (a year of routine in-network care of a well-controlled condition)		Mia's Simple Fracture (in-network emergency room visit and follow up care)	
■ The plan's overall deductible	\$0	■ The plan's overall deductible	\$0	■ The plan's overall deductible	\$0
■ Specialist copayment	\$0	■ Specialist copayment	\$0	■ Specialist copayment	\$0
■ Hospital (facility) coinsurance	100%	■ Hospital (facility) coinsurance	100%	■ Hospital (facility) coinsurance	100%
■ Other coinsurance	100%	■ Other coinsurance	100%	■ Other coinsurance	100%
This EXAMPLE event includes services like: Specialist office visits (<i>prenatal care</i>) Childbirth/Delivery Professional Services Childbirth/Delivery Facility Services Diagnostic tests (<i>ultrasounds and blood work</i>) Specialist visit (<i>anesthesia</i>)		This EXAMPLE event includes services like: Primary care physician office visits (<i>including disease education</i>) Diagnostic tests (<i>blood work</i>) Prescription drugs Durable medical equipment (<i>glucose meter</i>)		This EXAMPLE event includes services like: Emergency room care (<i>including medical supplies</i>) Diagnostic test (<i>x-ray</i>) Durable medical equipment (<i>crutches</i>) Rehabilitation services (<i>physical therapy</i>)	
Total Example Cost	\$12,700	Total Example Cost	\$5,600	Total Example Cost	\$2,800
In this example, Peg would pay:		In this example, Joe would pay:		In this example, Mia would pay:	
<i>Cost Sharing</i>		<i>Cost Sharing</i>		<i>Cost Sharing</i>	
Deductibles	\$0	Deductibles	\$0	Deductibles	\$0
Copayments	\$0	Copayments	\$0	Copayments	\$0
Coinsurance	\$0	Coinsurance	\$0	Coinsurance	\$0
<i>What isn't covered</i>		<i>What isn't covered</i>		<i>What isn't covered</i>	
Limits or exclusions	\$12,600	Limits or exclusions	\$5,400	Limits or exclusions	\$2,800
The total Peg would pay is	\$12,600	The total Joe would pay is	\$5,400	The total Mia would pay is	\$2,800

Figure 3. Extract from Summary of Benefits and Coverage (SBC) for PPL “SecureHealth” Plan

About these Coverage Examples:



This is not a cost estimator. Treatments shown are just examples of how this [plan](#) might cover medical care. Your actual costs will be different depending on the actual care you receive, the prices your [providers](#) charge, and many other factors. Focus on the [cost sharing](#) amounts ([deductibles](#), [copayments](#) and [coinsurance](#)) and [excluded services](#) under the [plan](#). Use this information to compare the portion of costs you might pay under different health [plans](#). Please note these coverage examples are based on self-only coverage.

Peg is Having a Baby (9 months of in-network pre-natal care and a hospital delivery)		Managing Joe's type 2 Diabetes (a year of routine in-network care of a well-controlled condition)		Mia's Simple Fracture (in-network emergency room visit and follow up care)	
■ The plan's overall deductible	\$6,350	■ The plan's overall deductible	\$6,350	■ The plan's overall deductible	\$6,350
■ Specialist coinsurance	0%	■ Specialist coinsurance	0%	■ Specialist coinsurance	0%
■ Hospital (facility) coinsurance	0%	■ Hospital (facility) coinsurance	0%	■ Hospital (facility) coinsurance	0%
■ Other coinsurance	0%	■ Other coinsurance	0%	■ Other coinsurance	0%
This EXAMPLE event includes services like: Specialist office visits (<i>prenatal care</i>) Childbirth/Delivery Professional Services Childbirth/Delivery Facility Services Diagnostic tests (<i>ultrasounds and blood work</i>) Specialist visit (<i>anesthesia</i>)		This EXAMPLE event includes services like: Primary care physician office visits (<i>including disease education</i>) Diagnostic tests (<i>blood work</i>) Prescription drugs Durable medical equipment (<i>glucose meter</i>)		This EXAMPLE event includes services like: Emergency room care (<i>including medical supplies</i>) Diagnostic test (<i>x-ray</i>) Durable medical equipment (<i>crutches</i>) Rehabilitation services (<i>physical therapy</i>)	
Total Example Cost		Total Example Cost	\$5,600	Total Example Cost	\$2,800
In this example, Peg would pay:		In this example, Joe would pay:		In this example, Mia would pay:	
<i>Cost Sharing</i>		<i>Cost Sharing</i>		<i>Cost Sharing</i>	
Deductibles	\$6,350	Deductibles*	\$5,400	Deductibles*	\$2,800
Copayments	\$0	Copayments	\$0	Copayments	\$0
Coinsurance	\$0	Coinsurance	\$0	Coinsurance	\$0
<i>What isn't covered</i>		<i>What isn't covered</i>		<i>What isn't covered</i>	
Limits or exclusions	\$60	Limits or exclusions	\$20	Limits or exclusions	\$0
The total Peg would pay is	\$6,410	The total Joe would pay is	\$5,420	The total Mia would pay is	\$2,800