

Broker Bulletin

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New Market Opportunity for Brokers: Home Care Workers Gain Health Insurance Coverage

Market Change:

The [New York State Home Care Worker Parity Act, Public Health Law § 3614-c](#), establishes minimum "total compensation" requirements for "home care aides" who perform Medicaid-reimbursed work for certified home health agencies (CHHAs), long-term home healthcare programs (LTHHCPs) and managed care plans (MCPs). The law's compliance period begins on March 1, 2014.

In addition to paying the specific wage identified in the law, employers must either offer individual health insurance, or pay an additional supplemental benefit specified by the law.

For the period of March 1, 2014, and beyond, the minimum rate home care aide total compensation will be \$14.09, consisting of a [base wage](#) of at least \$10.00 per hour, additional wages of up to \$1.69 per hour, and supplemental (benefit) wages of up to \$2.40 per hour.

Market Opportunity:

Download your
FREE
Self-Insurance
Toolkit

How Medical Claims Data Drives Chronic Disease Management

By Joseph Berardo Jr.

[Employers are keeping pace with new health plan strategies of their own and want more value. Date: 12/16/13](#)

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Given that two-thirds of New York state's home care workers are employed in New York City and the surrounding metropolitan counties, the new mandate creates an opportunity for brokers who want to pursue or build an offering or strategy around home healthcare agencies. It also gives brokers who are unfamiliar with this space the opportunity to carve out a new area of expertise.

Matthew Presutti, vice president, Commercial & Public Sector Sales, MagnaCare, says, "As with any change in the marketplace, fresh approaches to the same problem will carry the day. As these employers face the necessity to provide coverage under the mandate, a creative package of plans and offerings that keeps costs in line – and stretch the value of the benefit dollar -- will open doors for many brokers."

One innovative approach, self-insurance, offers employers greater flexibility than commercial insurance, while providing the kind of practical and economic advantages that curb costs, such as:

- Helping employers tailor plans to the specific health needs of a workforce population, especially if guided by the right healthcare management firm
- Maximizing cash flow because claims are funded as they are paid, rather than functioning based on prepayment
- Generating as much as three percent immediate savings because state taxes are eliminated on most self-insured plans
- Eliminating carrier profit margins and risk charges

In addition, self-insured health plans allow employers to pay for individual employee health claims out of cash flow rather than as a monthly fixed premium to a health insurance carrier. While employers assume the direct risk for payment of claims, costs are based upon actual plan member healthcare use. Stop-loss insurance helps to mitigate the impact of catastrophic claims.

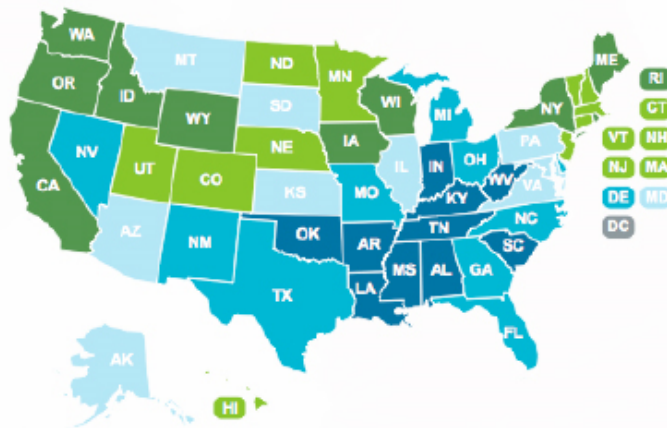
Presutti adds, "Self-insured plans are cost-efficient and more effective than the one-size-fits-all model of the fully insured plan, and exempt from many of the taxes and mandates that Obamacare imposes on businesses and employees."

America's Healthiest States

A large portion of Northeast states ranked among the top 15 healthiest in the country for example New Jersey ranked at #10 and New York ranked at #15 (see chart below for additional rankings). In 2013, Americans improved in more than two-thirds of the measures used in the 2013 Edition of [America's Health Rankings®](#), an annual state-by-state assessment published jointly by the United Health Foundation, American Public Health Association and Partnership for Prevention.

The range of criteria used to determine the rankings includes concrete health measures (like cancer deaths and diabetes rates), lifestyle factors (smoking and alcohol use), and quality-of-life indicators (air pollution, violent crime).

▶ **Overall:** Weighted sum of the number of standard deviations each core measure is from the national average.



The 2013 Edition of America's Health Rankings® is considered a benchmark of the relative health of states. Brokers and employers can incorporate the data as a reference point when assigning goals for health improvement programs

Read more:

[Small, medium companies could self-insure under bill](#)

[Wellness, other strategies can help rein in costs for self-insured employers \(login required\)](#)

[Supreme Court Today Hears Case On Medicaid Home Health Workers' Right To Form Public Employee Union](#)