

The New York Times

THE NEW YORK TIMES NEW YORK FRIDAY, JULY 9, 2010

Council Cuts Health Plan That Helped Poor People

By ANEMONA HARTOCOLLIS

A program that for a decade helped New York City's poor and elderly navigate their way through insurance problems — and that became a model for a similar federal program — has become a casualty of city budget cuts, an administrator of the program said on Thursday.

The \$4 million program sent ombudsmen to 25 social service agencies across the city, including the Legal Aid Society and agencies serving Latino, Asian, Polish and Jewish communities across the city.

Those ombudsmen were trained to help people obtain insurance, get health services and contest claims that had been denied by insurance companies and hospitals. The program helped about 10,000 people a year, said David R. Jones, president of the Community Service Society, which administered it.

Mr. Jones said that he had expected the program, formally known as the New York City Managed Care Consumer Assistance Program, to be cut back to some degree in a tough budget year. But he was surprised to learn on Saturday that the city's \$2 million share of the program, which was matched by federal



KEITH BEDFORD FOR THE NEW YORK TIMES

aid, had been cut entirely from the budget approved by the City Council last week. As a result, the city will receive no federal money for the program.

Preston Niblack, the City Council finance director, said the ombudsman program had become a low priority as the Council tried to restore cuts to children's services, senior centers, fire companies and library services. He said that the program had been created at a time when managed care insurance through Medicaid and Medicare was an innovation, and that there was a sense within the Council that "it was a lower priority than some

other things that were meeting perhaps more current needs."

One client helped by the program, Anita Eley, said on Thursday that when her husband, Tracy, needed a bone marrow transplant and had to search for a donor, Montefiore Medical Center in the Bronx had asked him to sign papers making him responsible for about \$35,000 in costs associated with the search and laying out a payment plan.

Ms. Eley, 29, a photographer, said she had found a flier at the hospital giving the phone number for the ombudsman program. An ombudsman working directly for the Community Service Society,

Ashley Voroba, took over the case and persuaded the hospital to revoke the payment plan and reimburse the first \$500 payment made by the Eleys.

Ms. Voroba contacted the State Health Department, which issued a bulletin in November 2009 clarifying that Medicaid beneficiaries — as Mr. Eley was — could not be billed for the cost of a donor search that was medically necessary. Mr. Eley, 37, a truck driver, received the transplant but died in December.

"Once we were made aware of the Medicaid issues involved, we corrected the situation," Steve Osborne, a spokesman for Mon-



ANITA ELEY

Anita Eley received help from the ombudsman program when her husband, Tracy, above, needed a bone marrow transplant.

tefiore, said on Thursday.

The federal health care package includes a provision for a similar program. Under a section called Health Insurance Consumer Information, the law calls for the secretary of health and human services to award grants — \$30 million in the first year — to states to set up ombudsmen to help consumers with insurance programs.

Mr. Jones said the New York program had been a model for the federal law. He said that in theory, some of the federal money could be awarded to New York City. But by the time the money came through, he said, it would cost more to recreate the program from scratch than it would to keep it going.

"There's a recognition that putting individuals against H.M.O.'s is really an impossible

situation," Mr. Jones said. "If we cease operation waiting for federal monies to come through, I can't keep my network and talent pool together. It's going to cost the state and city much more than they imagined to rebuild."

About 80 percent of the program's clients have low incomes and receive either Medicaid or Medicare, he said, but the program also works with people who have private insurance.

Mr. Niblack said the Council was trying to negotiate a compromise in which some kind of "more modest and more transitional" program would be financed until the federal program kicked in. "They've come to us and made a pitch that it will be relevant shortly in the context of health reform, and we'll look at that and see what we can do with that," he said.