



New York announces 2022 HCRA covered-lives assessment rates

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New York has posted its [2022 regional covered-lives assessment](#) (CLA) rates and percentage surcharges for graduate medical education (GME) under the state’s Health Care Reform Act (HCRA). The HCRA imposes on “electing” health claim payors — including self-funded plans — an annual CLA, which is based on the number of covered individuals (and families) who live in New York. The state lets payors “elect” to pay the CLA per covered individual directly to the state’s Professional Educational Pool. Nonelecting payors are not subject to the annual CLA but may incur significantly higher GME percentage surcharges on certain in-state hospital expenses. The annual GME CLA/percentage surcharge along with an indigent care surcharge are two distinct payments imposed by the HCRA.

Regional GME CLA/percentage surcharge differences

The GME CLA rates and percentage surcharges vary among eight regions, and the applicable rate depends on where the covered individual resides or receives in-state hospital care.

Electing payors. New York City has the highest annual CLA for electing payors: \$173.67 per individual with self-only coverage and \$573.12 per individual with family coverage. However, in Long Island, the CLA per covered individual shrinks to \$61.92 (self-only) and \$204.33 (family). The CLA drops as low as \$9.60 (self) and \$31.69 (family) in the 11-county Utica/Watertown region. These rates reflect minimal increases in the CLA from [2021 levels](#).

Nonelecting payors. The GME percentage surcharge that nonelecting payors pay directly to in-state hospitals where covered individuals incur certain expenses also varies by region. For example, the 2022 GME percentage surcharge on specified expenses reaches a high of 27.28% for a New York City hospital, but drops to 13.89% in Long Island and reaches a low of 2.25% in the Utica/Watertown area. These nonelecting-payor GME percentage surcharges have not increased since 2006.

As a result, a covered individual with self-only coverage who lives in New York City will cost an electing payor \$173.67 for the year, no matter whether that person incurs no or significant in-state hospital charges. Electing and nonelecting payors with no covered New York state residents won't owe any CLA. However, if a covered individual incurs a \$100,000 bill for New York City hospital services subject to the GME percentage surcharge, a nonelecting payor will owe a total of \$127,280 — minus any applicable participant cost sharing — for that hospital bill with the surcharge.

Conversely, an electing payor in the above example won't owe any GME percentage surcharge, but instead will only owe a CLA to the extent it has covered New York state residents. Since electing payors with no covered employees residing in New York don't owe a CLA, out-of-state plan sponsors with no (or few) covered New York residents may want to consider becoming an electing payor to avoid uncapped and unpredictable GME percentage surcharges and reduce indigent care surcharges as described below.

Indigent care surcharge

Under the HCRA, health claim payors — including self-funded health plans — must also pay an indigent care surcharge for New York hospital inpatient and outpatient services, comprehensive diagnostic and treatment centers, and ambulatory surgery centers. This surcharge applies regardless of where the patient resides or the employer or group health plan is based.

For services delivered from [April 1, 2009, through Dec. 31, 2023](#), the surcharge is 9.63% for electing payors that pay this expense to the Public Goods Pool and an additional 28.27% (or a total of 37.9%) for nonelecting payors that pay the surcharge to providers. If services are also covered by the GME CLA, this will be added to the nonelecting payor's bill. So a \$100,000 New York City hospital bill with a 27.28% GME percentage surcharge plus a 37.9% in indigent care surcharge could result in a total bill of \$165,180 for the hospital services and both surcharges.

Dental services

While dental coverage is considered “health coverage” under the HCRA, the CLA and surcharges apply only to services received at an HCRA-designated facility, such as a New York hospital or surgical center. Dental procedures that take place in a dentist's office are usually exempt from the GME CLA/percentage surcharge and indigent care surcharge. So a typical employer-sponsored stand-alone dental plan normally does not trigger HCRA costs.

However, as noted in the [NY HCRA FAQs](#), when an HCRA-designated provider performs dental services, the GME and indigent surcharges apply at rates based on the third-party payor's election status. Designated providers include general hospitals, their extension clinics, and diagnostic and treatment centers providing comprehensive primary care or ambulatory surgical services.

While most dental care typically occurs in stand-alone dentist offices, a dentist office owned by an HCRA-designated facility might be viewed as an extension clinic, subject to the HCRA. Various databases maintained by the New York Department of Health (DOH) — such as the [Extension Clinics for](#)

[Hospitals](#), [Comprehensive Clinics](#) and [Extension Clinics for Diagnostic & Treatment Centers](#) — include numerous dental facilities.

Employer considerations

Even if no employees reside in New York, the surcharges apply to any health or dental services rendered at an HCRA-designated facility.

Example. Jim's and Joyce's employer, STU Company, is a nonelecting payor. Jim resides in Connecticut and regularly visits friends and family in New York. Joyce resides in Georgia but regularly visits New York City for vacation. Any urgent care received by Jim or Joyce while in New York could generate substantially higher surcharges than what STU Company would pay as an electing payor.

Due to the significant impact HCRA surcharges can have on nonelecting payors, self-funded plan sponsors with networks extending into any of the New York areas — or with a significant number of participants residing in neighboring states — may want to review their election status with the plan administrator.

Related resources

- [New York State Health Care Reform Act information](#) (New York DOH)
- [2022 covered lives/assessments/surcharges](#) (New York DOH)
- [Indigent care and health care initiatives surcharges by payor](#) (New York DOH)

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