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Re: A. 5062 (Gottfried)/S.3525 (Perkins) AN ACT to amend the public health law and the state finance law, in relation to establishing New York Health.

This legislation would create a universal single payer health plan — New York Health — to provide comprehensive health coverage for all New Yorkers. The New York Health Plan Association (HPA) opposes this legislation.

Sponsors of the bill have a utopian view of a universal health care system where everyone would be covered, everything would be covered and everything would be paid for. The gap between this idealized world and reality, however, is wide and no matter how broad this proposal is, it cannot bridge the chasm.

This proposal calls for coverage to be publicly funded using federal funds now received for Medicare, Medicaid, Family Health Plus and Child Health Plus combined with the current state funding for these programs coupled with some sort of tax. Sponsor suggestions include a graduated surcharge on the personal income tax and a surcharge on business income taxes or a payroll assessment similar to the FICA tax that pays for Social Security.

This proposal fails to take into account more than \$4.5 billion in Health Care Reform Act (HCRA) taxes New York currently assessed on health insurance and the many programs funded by these taxes. The need to pay for New York hospitals' bad debt and charity care, the graduate medical training of thousands of doctors, and numerous other programs — from the AIDS Drugs Assistance Program to workforce retraining to many, many others — would not disappear, however. Moreover, the HCRA assessments are also used to support Child Health Plus and Family Health Plus, funds the bill proposes to use in its public financing arrangement.

Other problems with this bill, as with other single payer systems, include:

- The proposal presumes providers will accept reimbursement at a government set level. In reality, it is becoming increasingly difficult to get providers to agree to accept Medicaid rates. A recent survey by Jackson Healthcare (a national health care staffing company) found 36% of physicians said they are no longer accepting new Medicaid patients. This included 51% of primary care doctors who are not accepting new Medicaid patients, and 26% do not see any Medicaid patients.

- The New York Health bill also promises to promote improved quality of, and access to, health care services and improved clinical outcomes without any mechanisms to deliver on that promise. Current tools to measure quality of care — including the Healthcare Effectiveness Data and Information Set (HEDIS) and New York’s Quality Assurance Reporting Requirements (QARR) — are proven systems that both measure and report quality, and have a track record of improving quality of care delivered over time.
- The proposal does nothing to realign the myriad factors that contribute to our current escalating health care costs except by setting government limits on prices. Failing to take any steps to reign in utilization or rising hospital and drug costs, price controls, as employed by other single payer systems, will have the undesired effect of virtually eliminating innovation and efficiency.

The timing for legislation conflicts with the implementation of the Federal Affordable Care Act (ACA). New York is in the midst of the most significant health care reform since the adoption of Medicare and Medicaid. This legislation is a distraction from these health care reform efforts. New York State is committed to implementing ACA as evidenced by:

- Amending New York State Insurance Law to align with federal law.
- Guaranty of access to health insurance provided through the health plan model.
- Building the Health Insurance Exchange by providing a competitive marketplace that allows consumers’ to choose the health plan that they want.
- The federal government has given New York State almost \$300 million in grants for ACA implementation.

For nearly two decades, New York’s health plans have been a partner in the state’s efforts to expand access to and improve quality of care to New Yorkers across the state. New York’s various programs such as Medicaid managed care, Child Health Plus and Family Health Plus serve as models across the nation, and our plans are committed to continuing this successful partnership. For all these reasons and others, the New York HPA opposes A.5062/S.3525.

The New York Health Plan Association represents 25 managed care health plans that provide comprehensive health care services to nearly 7 million New Yorkers.