



Health Plan Association

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# NEWS RELEASE

FOR IMMEDIATE RELEASE:  
December 6, 2018

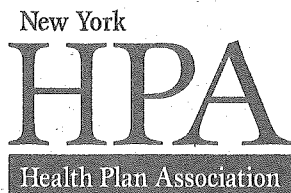
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**Statement by Eric Linzer, President and CEO New York Health Plan Association,  
on the New York City Council Health Committee Resolution on the New York Health Act**

“We believe every New Yorker deserves coverage for high-quality, affordable health care, and our member health plans are committed to continuing to work with state lawmakers, policymaker and others to achieve the goal of universal coverage.

“New York has been successful in providing insurance coverage to more than 95% of state residents, in large part due to the work of our member health plans in implementing the Affordable Care Act and New York’s ambitious Medicaid Redesign program.

“The New York Health Act would require massive tax increases and take away health coverage options currently available to millions of New Yorkers, which is why groups representing employers, providers and unions have expressed concern and opposition to moving to a government-run, single payer health care system. Rather than devoting attention to a system that ultimately will lead to higher taxes, limit access and restrict options, our collective efforts should be to build on what’s working in health care and fix what’s not.”



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The Honorable Mark Levine  
Chair, Committee on Health  
250 Broadway, Rm. 1816  
New York, NY 10007

Dear Chair Levine and members of the committee:

The New York Health Plan Association is a non-profit organization that represents 26 health plans that provide coverage to nearly eight million New Yorkers. The people served by HPA's member plans include individuals who receive coverage through an employer or who purchase it on their own directly through a health plan or through the NY State of Health, the state's Exchange, and residents covered by state programs including Medicaid, Child Health Plus, the Essential Plan and Managed Long-Term Care. On behalf of these plans and the New Yorkers who rely on them for comprehensive, quality health coverage, we are writing to express our concerns about proposals to create a government-run, single payer health care system in our state.

We believe that every New Yorker deserves coverage for high quality, affordable health care, and our member health plans are committed to the state's goal of universal coverage. Our member plans have a long history of working collaboratively with New York government and have been instrumental in implementing the Affordable Care Act and the state's ambitious Medicaid redesign program. This common effort is a major reason for New York's success in insuring coverage for more than 95 percent of state residents and reducing the number of uninsured from ten percent in 2013 to less than five percent today.

The New York Health Act would essentially undo all the progress made to date. Because of the accomplishment of reaching coverage for 95 percent of New York's population, we feel strongly that our collective efforts should be focused on initiatives to build on what's working in health care and fix what's not. Independent analysis of the New York Health Act has shown that a government-run, single payer health system is not the answer.

While the RAND Corporation study of the New York Health Act, undertaken for the New York State Health Foundation and issued in August, suggested that such a system could be feasible, it also noted it would require massive tax increases. Moreover, the analysis assumed that significant reductions in payments to doctors and hospitals would be necessary to achieve the projected savings and the state would be able to obtain the necessary waivers from the federal government—all assumptions that the report called "highly uncertain." A closer look at these assumptions underscores the concerns about a single payer system.

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**Massive Tax Increases:** The proposal would require a tax increase of \$139 billion in the first year alone, a 156% increase in what the state currently collects in taxes, and up to \$210 billion by 2031. These tax increases would be on top of the \$82 billion New York already spends on health care. There is no guarantee New Yorkers—individuals and businesses—would accept the extreme tax increases. Authors of the study noted the potential for tax avoidance, including changes in investment decisions or wealthier people or employers moving out of the state, saying even a small number of people or businesses leaving the state could cause the tax base to collapse.

**Cuts to Provider Payments:** The savings from a government-run system would come from reducing the reimbursement rates the state pays doctors, hospitals, drug makers and other providers. Hospitals have already voiced concerns about suppression of reimbursement for providers by state programs. Further, the RAND study noted that as a result of lower provider payments, doctors may relocate from the state.

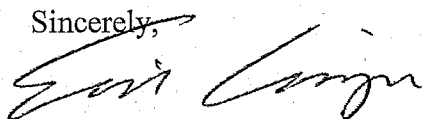
**Uncertain Federal Approvals:** The state would need to receive waivers from the federal government for both New York’s current Medicaid program and to include Medicare beneficiaries in the new system. The Centers for Medicaid and Medicare Services has already signaled it will not grant such waivers for state-based government-run health care proposals.

The RAND report stressed that none of these assumptions are guaranteed. Even if they were realized, the impact of moving from our current health care system to government-run health care would be monumental. Further, the massive tax increases, cuts in payments to doctors and hospitals, and loss of choice, are the reasons groups representing employers, providers and unions have expressed concerns and opposition to a government-run, single payer system.

Residents who like their current coverage—including Medicare beneficiaries, workers with union or employer-based coverage, and individuals enrolled in the Essential Plan—would lose their coverage, as a government run health care system would limit options available to New Yorkers. Even with massive tax increases, patients may still have to wait longer for treatment and there is no guarantee that they would be able to see the doctor or specialist of their choice.

As noted, a government-run, single payer health care system would undo all that New York has already achieved. The focus now should be on measures to provide coverage to the five percent of state resident who are uninsured and making health care more affordable without damaging the health care system and disrupting coverage for those who are covered. Our organizations stand ready to work with you and other elected officials on measures to realize the goal of universal coverage for all New Yorkers.

Sincerely,



Eric Linzer  
President & CEO