New York State Legislature
Richard N. Gottfried, Chair, Assembly Health Committee
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ABOUT THE NEW YORK HEALTH ACT

The New York Health Act would provide comprehensive, universal health coverage for every New Yorker – a single-payer "improved Medicare for all" plan for New York.

The NY Health Act has no premiums, deductibles, copays, restricted provider networks or out-of-network charges. The doctors, hospitals and other health care providers you choose would provide care.

It will cover primary, preventive, specialists, hospital, mental health, reproductive health care, dental, vision, hearing, prescription drugs, lab tests, medical supplies, and long-term care (home care, nursing home care) – far more comprehensive than any health plan we know of.

The New York Health plan will be funded by a progressively graduated tax—based on ability to pay – on taxable income from employment, capital gains, interest, dividends, etc. Employers would pay at least 80% of the payroll tax, or more if they choose to or through collective bargaining. Income in lower brackets would be taxed at lower rates (the first $25,000 of a person's income would be exempt from the tax, and income in higher brackets would be taxed at a higher rate. That's just fair.

It lowers costs for seniors by picking up Medicare Part B premiums and eliminating Medicare "cost-sharing." It brings local tax relief by eliminating the "local share" of Medicaid.

KEY POINTS

• Every year, millions of New Yorkers with health coverage go without needed health care because of cost, or they suffer financial hardship to get it. No one says that's acceptable. But there's no plan on the table other than the NYHA that can meet that need.

• The answer to the question "Will people pay more taxes?" is: Almost every family will spend less in New York Health taxes than they do now for premiums, deductibles, copays, out-of-network charges, and out-of-pocket costs from unfair denials of coverage.

• The NY Health Act will be the biggest increase in take-home pay for almost all New Yorkers in a generation.

• New Yorkers now spend over $30 billion a year on out-of-pocket health care costs – including deductibles, copays, out-of-network charges, long-term care, and spending by

people without insurance. This will be covered by NY Health.

• The savings under the NYHA are essential to enable us to cover the uninsured, pay providers more, eliminate deductibles/copays/out-of-network charges, and lower overall spending.

• Some argue we only need to get insurance for the uninsured. But if all we do is get them covered, we'd be keeping all the problems with the insurance system: the tens of billions we waste every year, and the financial hardships and lack of access to care. It would do nothing about the problems of millions of New Yorkers who now have health coverage.

• Some say "just create a 'public option' and let people keep the coverage they have if they want to." This would leave the existing costly, complicated, inequitable system in place – adding one more fragment to a fragmented system. We'd lose the savings we get by taking insurance companies out of the picture. Those savings free up the funds that help pay for the NYHA's coverage for the uninsured, expanded benefits, with no deductibles and no restricted provider network, and covering long-term care.

• People want the freedom to choose their own doctors, hospitals and other providers. We don't want an insurance company dictating that. We don't want to have to pay out of pocket because a doctor or hospital is not in an insurance company's restricted provider network.

• Health insurance companies "compete" by taking in money from people who use as little of their product as possible. They thrive by getting people who really need health care to take their business to another company.

• The Governor, members of the Legislature, their family members and friends will be covered by the single-payer plan. They'll have a personal stake in making sure that they and their doctors and hospitals are treated as well as can be. Twenty million other New Yorkers, and all our health care providers, will benefit by being covered by that plan.

▪ Unions will no longer have to start every bargaining session defending their health plans rather than focusing on wages or other benefits.

• Opponents of single-payer claim that we'll lose hospitals and doctors because they won't be well paid. They claim this will mean shortages of health care providers and long waits for care. But the truth is, doctors, hospitals and other providers will be better treated under NY Health than they're treated by insurance companies. They'll be fairly paid (the NYHA requires it). And they'll spend dramatically less time and money on administrative work, because they won't be constantly fighting with insurance company bureaucracies. They'll have more time to care for their patients.

• "Medicare for All" is just another name for single-payer. Medicare is a great program, but it has major gaps. Medicare for All fills all those gaps. People now on Medicare will get much better coverage, on top of their Medicare benefits. We will all get better coverage. That's not just a slogan; it's spelled out in the NYHA.

• People ask whether they'll lose benefits they already have. Every benefit covered by any health plan we've heard of is covered by the NYHA, and even more, especially long-term care.

• We want to keep more of what we earn, without deductibles and out-of-network charges forcing us to go without needed care or driving us into debt or bankruptcy. Only a single-payer health plan will give New Yorkers the choices, health care and financial security we really want.

• We don't need permission from Washington to create NY Health. Federal "waivers" would make it simpler to implement NYH (and would actually save federal money). But even without federal waivers, NYH can be structured (e.g., as a wraparound for federal programs like Medicaid, Medicare and the ACA) so it works for patients and providers as if it were a single program, and continue to draw down federal funds.

• Health plans claim New Yorkers "love their health coverage." Do you ever hear ordinary consumers say that about their health plan? And if it's true, how come polls tell us that health care is the #1 issue concerning New York voters, year after year?

DISCUSSION

Savings under the NY Health Act

Getting rid of insurance company bureaucracy and profits will save New Yorkers over $20 billion a year. We'll save over $16 billion that doctors, hospitals and other providers spend for the administrative costs of fighting with insurance companies. We'll cut drug prices over $18 billion, using the bargaining power of 20 million consumers. That's over $55 billion a year.

The New York Health Act would use these savings to pay for health care and put money back into New Yorkers' pockets.

Patients would save over $30 billion a year that we now spend on deductibles, co-pays, out-of-network charges, uninsured care, and out-of-pocket spending for long-term care.

Doctors, hospitals and other health care providers will save billions in administrative costs and time, and unpaid care would be fully paid for.

Almost every family will spend less in New York Health taxes than they do now for premiums, deductibles, copays, out-of-network charges, out-of-pocket costs from unfair denials of coverage or lack of coverage, and long-term care.

The NY Health Act will be the biggest increase in take-home pay for almost all New Yorkers in a generation.

It's not just about the uninsured – people with insurance have major problems

Opponents of NY Health argue that "only" 5% of New Yorkers are actually uninsured. They say getting coverage for them shouldn't mean "overturning the whole system."

Covering the uninsured is one goal of singe-payer. But that doesn't help the millions of New Yorkers who struggle with rising premiums, deductibles, co-pays, restricted provider networks, out-of-network charges and unjustified denials of care that deny access to health care and undermine family financial stability.

Most of the terrible personal stories we hear are about patients and families that have health coverage. They go without care because they can't afford high premiums, deductibles, copays, and out-of-network charges; or those costs wreck their family finances. They lose access to the specialists they've relied on because their employer picks a different health plan with a different provider network. If they switch jobs or lose a job they may lose their health coverage.

Every year, about a third of people with health insurance have someone in the household who goes without needed health care because of cost. Three quarters of New Yorkers have fears for the affordability of their health care.

If we only get insurance for the uninsured, we're perpetuating and extending all the problems with the insurance system: the tens of billions we waste every year, and the financial hardships and lack of access to care. It would do nothing about the problems of New Yorkers who now have health coverage.

Covering the uninsured under the current system would cost billions of dollars[1] – most of which would come from taxes – without doing anything to help the millions of New Yorkers who have real health and financial problems with their health coverage. It's no

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[1] Covering a million people at about $7,000 each costs $7 billion.

surprise that people who say "let's just cover the uninsured" don't have a plan to actually do that.

Cover the uninsured? Yes. But do it with the one plan that helps every New Yorker.

"Public option" is wrong; we'd lose the savings, and the adverse selection "death spiral" will kill the public plan

Some people propose making the plan only a "public option." They say, "Let people keep the coverage they have if they want to."

This would leave the existing complicated, costly, inequitable system in place – adding one more fragment to a fragmented system.

Patients, employees, employers, health care providers, and taxpayers would still be wasting the tens of billions of dollars we'd save by getting rid of private health insurance.

Those savings are key to freeing up the funds that pay for single-payer's coverage for the uninsured, expanded benefits, with no deductibles and no restricted provider network, and covering long-term care.

Another problem: The people who'd be most attracted to the public option would the highest-utilizing, highest-cost patients that insurance companies don't want. Insurance companies can easily make themselves look attractive to people who think they're healthy and drive away high-utilizing patients. They can hold down premiums (what buyers look at most) by raising deductibles. They discourage patients with expensive conditions by lowering provider payment rates and having narrow provider networks for providers who treat those conditions.

With more of those higher-cost patients choosing the public option, the plan would be under pressure to accept skyrocketing costs or to cut benefits and cut payments to providers. That would drive away quality providers and patients who can afford private coverage. The public plan would lose revenue while its costs rise. It would descend in a death spiral until it collapses – to the delight of the private insurance companies.

Health care providers will be well paid

Several factors guarantee that doctors, hospitals, and other health care providers will be well paid under the NYHA.

NY Health will pay health care providers more than Medicare and Medicaid now pay, because NY Health rates will be required by law to be related to the cost of delivering the service and sufficient to assure an adequate supply of the service. No payer in health care

today offers that guarantee.

The NY Health Act does not specify payment rates or methodologies. It would make no sense to put that into law. Rates and methodologies always evolve over time, and vary by region, categories of providers, etc.

A large portion of health care today is paid for by Medicare and Medicaid, both of which are widely acknowledged to not pay enough to cover provider costs. So the NYHA requires that providers be paid substantially more than they are today for those services. They will no longer have to use revenue from commercial patients to cross-subsidize their Medicare and Medicaid patients.

Health care providers today spend a huge amount of time and money fighting with multiple third-party payers. They spend twice as much on administrative costs as their Canadian counterparts, in a single-payer system. The NYHA will save providers over $16 billion a year in administrative costs.

Health care providers will be paid in full; ending unpaid bills, charity care and bad debt.

The bill provides that health care providers can form organizations to collectively negotiate with NY Health, with an arbitration process if they don't come to agreement.

The Governor, members of the Legislature, their family members and friends will be covered by NY Health. They'll have a personal stake in making sure that they and their doctors and hospitals are treated as well as can be. All 20 million us, and all our health care providers, will benefit by being covered by that plan.

The analysis of the costs and savings of the NYHA assumes that the only reduction in anyone's reimbursement rates (other than drug companies) would be to take account of reduced administrative costs.

Will there be long waits for care?

Opponents of the NY Health Act claim that our hospitals will be damaged or forced to close, and that doctors will move to another state, because they will not be well paid. People fear that this means shortages of health care providers and long waits for care.

These claims and fears are all based on the idea that health care providers will not be well paid under NY Health. People assume that because Medicare and Medicaid payment rates are low, that will be true for NY Health. But the truth is: doctors, hospitals and other providers will be better treated under NY Health than under the current system.

They will be paid fairly (see above). And they will spend dramatically less time and money on administrative work, because they won't be constantly fighting with insurance company bureaucracies. They will have more time to care for their patients.

How insurance companies "compete"

Defenders of the current system talk about health insurance companies "competing." But health insurance has a strange kind of competition.

People have health insurance because they want the plan to pay when they submit a claim for health care. But your health plan makes money when it doesn't pay.

The last thing a health insurance company wants is to get a reputation for being good for people who need a lot of health care. That's why you don't see a health insurance company advertising that it's good for people with diabetes, cancer or heart disease.

When you hear someone say our fragmented health coverage system is good because insurance companies "compete," think about this:

Health insurance companies "compete" by taking in money from people who use as little of their product as possible. They thrive by getting people who really need health care to take their business to another company.

They shift as much of the cost of care as possible to the patient, by raising deductibles and co-pays. They arbitrarily and unfairly deny claims. They have narrow, restricted provider networks and require patients to pay out-of-pocket if they go out of network.

That kind of "competition" is not good for patients who actually want their health care covered.

That's why, every year, millions of New Yorkers with health coverage go without needed care because of cost or suffer financial hardship paying for care. Three quarters of New Yorkers have fears for the affordability of their health care. No one says that's acceptable.

We can end that with the NY Health Act. And there's no other plan on the table that can.