

DON'T WE ALL HAVE A RIGHT TO HEALTH CARE?

The “New York Health Act” can bring us all

- **Better health care**
- **Better coverage**
- **Lower cost**



Our health care system is broken. Insurance companies are in charge – with high premiums, high deductibles, and co-pays; too much control over which doctors or hospitals we can go to and what care they can provide; and high administrative costs.

It's all a heavy burden on patients, health care providers, employers and taxpayers.

Cost is a major barrier to care. Each year, one in three families *with* private health insurance has someone put off care due to cost, often for a serious medical condition. Employers continue to drop employee coverage or shift more costs to the employees.

We have to do better. Instead of patchwork repairs, we can cover everyone, provide better coverage without financial barriers to health care, *and* save billions annually. No premiums, deductibles or co-pays, and no restricted provider networks and out-of-network charges.

How? Through the **New York Health Act** – universal comprehensive health coverage, “improved Medicare for all” in New York.

The doctors and hospitals *you* choose would provide care. All of us, rich and poor alike, would be covered for all medically necessary services, including: primary, preventive, specialists, hospital, mental health, reproductive health care, dental, vision, prescription drugs, lab tests, and medical supplies – more comprehensive than commercial health plans.

New York Health will save us tens of billions a year. Taking insurance companies out of the picture would save billions in insurance company administration and profit and the billions health care providers spend on administrative costs to fight with insurers. It would

capture savings from negotiating prices of drugs and medical devices. Employers wouldn't spend billions on reviewing, selecting and administering health benefits.

Today, insurance and out-of-pocket costs are a regressive tax. The insurance company wants the same premium, and imposes the same deductibles, co-pays, and out-of-network charges, whether you're a corporate CEO or the receptionist. The New York Health plan would be funded by a progressively graduated tax – based on ability to pay – on taxable income from employment, capital gains, interest, dividends, etc. – at lower cost thanks to the savings.

- **The health care system is rigged against working people.**
- **Now Washington is making it all worse.**
- **The New York Health Act is how we can fight back.**

Like many other key services, health care should be a basic right, not a privilege or a commodity.

For years, people have said single-payer is the only sensible way to finance health care, “but it could never happen.” Now that the State Assembly has passed the New York Health Act, it's becoming truly achievable.

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For the full text of the New York Health Act, go to <http://public.leginfo.state.ny.us> and type: A4738. For more information, e-mail: GottfriedR@assembly.state.ny.us.

How the New York Health Act would work:

New York Health would provide comprehensive, universal health coverage for every New Yorker and would replace private insurance company coverage. You and your health care providers work to keep you healthy. New York Health pays the bill.

1. Freedom to choose your health care providers. There would be no network restrictions. You choose your doctors and hospitals. Patients and their doctors – not insurance companies – would make health care decisions.

2. Comprehensive coverage. New York Health would cover all medically necessary services, including but not limited to: primary, preventive, specialists, hospital, mental health, reproductive health care, dental, vision, hearing, prescription drugs, lab tests, medical supplies, and any benefit currently required by state insurance law or provided by the current state public employee health plan, Medicare, or Medicaid. This is a more comprehensive than commercial health plans.

3. Paid for fairly. Today, insurance companies set the same high premiums, deductibles, and co-pays, whether it's for a CEO or a receptionist, and a big successful company actually pays less than a small new business. Under New York Health, there would be no premiums, deductibles, co-pays or out-of-network charges.

New York Health would be funded by a progressively graduated tax – based on ability to pay – on taxable income from employment, capital gains, interest, dividends, etc. – at lower cost thanks to the savings.

For 98% of New Yorkers, it will be substantially *less* than what they now spend on premiums and out-of-pocket costs, with the biggest share of savings going to middle-class families.

4. Where the savings come from. We wouldn't be paying for huge insurance company administrative costs and profits or for the costly time and paperwork health care providers spend for dealing with insurance companies.

A comprehensive study of the New York Health Act done by Prof. Gerald Friedman, chair of the Economics Department at the University of Massachusetts at Amherst, shows that New York Health would **save \$71 billion** a year: \$26.5 billion by eliminating private health insurance administration and profit; \$20.7

billion by reducing health care provider administration of health insurance claims; \$2 billion by eliminating employer administration of health benefits; \$5.4 billion by reducing fraudulent billing; and \$16.3 billion by capturing savings from overpriced drugs and medical devices.

New York Health would use \$26 billion of the savings to pay for increase coverage and increased utilization, pay health care providers fairly and retrain displaced workers.

That would leave **net savings of \$45 billion -- \$2,200 per New Yorker.**

New York Health is the most affordable way. Any plan that keeps insurance companies in the picture means wasting \$45 billion a year.

5. Job-friendly. Health care costs are a significant and unpredictable problem for business. These costs as a share of payroll have increased 50% in a decade, with small group rates increasing much faster than inflation. And New York employers spend over \$2 billion annually just to *administer* health benefits. The New York Health Act simplifies and reduces costs for employers – large and small – by taking them out of the business of buying health coverage. That would make New York dramatically more job-friendly, especially for small businesses, start-ups, low-margin businesses, local governments and taxpayers, and non-profits.

Support is growing for this common sense approach. The New York State Assembly passed *New York Health* in 2015 and 2016. We're changing the conversation from "too bad it could never happen" to being really achievable.

The *New York Health Act* has been endorsed by a long list of organizations including: the New York State Academy of Family Physicians, the New York State American Academy of Pediatrics, and the Public Health Association of NYC; the New York State AFL-CIO, 1199 SEIU, the New York State Nurses Association, NYS United Teachers (NYSUT), United Federation of Teachers (UFT), 32BJ SEIU, the Retail, Wholesale & Department Store Union (RWDSU) UFCW, many other labor unions; the Working Families Party, the Green Party, Community Service Society, Citizen Action, League of Women Voters, Make the Road/New York, New York Communities for Change, the New York Immigration Coalition; and the New York State Black, Puerto Rican, Hispanic and Asian Legislative Caucus.

FAQs

Doesn't the ACA fix health care?

The Affordable Care Act leaves insurance companies in charge. Many more health plans have narrow restricted provider networks, rising premiums, high deductibles and co-payments that shift a large part of the cost to the individual. They control which doctors or hospitals we can go to and what care they can provide. We pay for their high administrative costs and profits. Employers continue to shift more of the cost of coverage to their workers, or drop coverage entirely.

Won't New York Health be just like every other health plan, only bigger?

Not at all. By law, it will not limit who you can go to for care and will not dictate health care decisions. Financial barriers won't limit your ability to get care when you need it. Because wealthy and well-connected New Yorkers will be in the same plan with the rest of us, you can be sure it will be a better plan – better for patients and for health care providers.

Won't this be a huge new tax increase?

No. We'll *save* \$45 billion, because we won't be paying for insurance company administration or health care provider costs for dealing with them, and save through State bargaining for reduced pharmaceutical and equipment prices. We won't be paying regressive premiums, or any deductibles, co-pays, or out-of-network charges. Property taxes will go down because local governments won't pay for Medicaid, and health care for their employees will be cheaper. New Yorkers will have *more* money in our pockets and better health care for our families, and the tax that pays for the plan will be based on ability to pay.

Can I buy private insurance?

Private insurance that duplicates benefits offered under New York Health could not be offered to New York residents. That's important to prevent a 2-tier system, so wealthy New Yorkers have a stake in maintaining the quality of New York Health. But private coverage could be sold for benefits that would be outside the NY Health program, like purely cosmetic surgery.

Is long-term care covered?

Long-term care (e.g., home health care, nursing homes) will be covered, but the specifics will be developed later.

What about retiree health benefits?

Most retirees will simply be covered by New York Health, plus Medicare. A plan will be developed to deal with retirees who move out of state.

What if a person moves out of state?

New York Health covers New York residents.

What happens if Washington cuts Medicare and Medicaid and people lose their ACA coverage?

The only way New Yorkers can protect ourselves – the only way we can afford to fill the huge gaps that will be created by Washington -- is by adopting our own highly-efficient form of health care financing – the New York Health Act.

What if a person is temporarily out of state and needs care?

New York Health will pay for health care while a New York resident is temporarily out of state and needs health care there. It will also pay if there are special reasons why someone needs health care from an out-of-state provider.

How will this affect union health plans?

New York Health will be at least as comprehensive as any employer- or union-sponsored coverage, with no premiums, deductibles, co-pays or limited networks. Instead of negotiating for health benefits, unions will be able to focus on negotiating for higher wages and other issues. Unions that have negotiated low or zero worker contributions to a health plan will negotiate the same arrangement for the worker share of the payroll-based premium. Union-sponsored clinics will be able to continue serving union members – and anyone else – and be paid by New York Health.

How much will doctors and hospitals get paid?

New York Health will set up payment systems (hopefully moving away from the fee-for-service model that just rewards volume, not value) and levels of payment. Health care provider organizations will be able to collectively negotiate with the plan. The most important guarantee that payments will be adequate is that all New Yorkers – rich and poor alike – will be in the same publicly-accountable plan. Savings from reduced administrative costs will be used to bring up rates for providers who are currently undercompensated for Medicaid and Medicare patients.

What doctors and hospitals will I be able to use?

There will be no restricted network of providers. Every health care provider in the state will be able to participate, and patients can go to whichever provider they choose.

Will doctors and hospitals be required to participate?

No. However, there would be no other insurance coverage to pay a non-participating provider.

Will doctors and hospitals be able to charge more than New York Health will pay?

If a provider is paid by New York Health, the patient may not be charged more (no “balance billing”).

How much will we pay for New York Health coverage?

The average family will pay a lot less than we do now. The cost will go down thanks to the savings New York Health will produce. Basing the premiums on the ability to pay means less of a burden on most households and most employers – especially small businesses and start-ups. That means more money in our pockets for 98% of New Yorkers – those making up to \$400,000 annually – with the biggest savings going to middle-class families.

What share will my employer pay?

Employers will pay at least 80% of the tax on payroll, and employees up to 20%. Employers can agree to pay all or part of the employee’s share (e.g., through collective bargaining).

My employer now pays the whole premium for my coverage. Will I now have to pay 20% of the payment?

If workers have bargained to get the employers to pay more than 80% of the premium now, it will be easier to get the same under New York Health, since the total cost will be less than it is now.

What if I’m self-employed?

You will pay the entire contribution, just as you now pay your whole insurance premium.

What about Workers Compensation costs and benefits?

The New York Health plan will develop a proposal to move work-related health care costs into New York Health, and consider whether there should be an experience-rating charge to employers to encourage workplace safety.

I have a good health plan. Why would I want to trade it for New York Health?

New York Health will upgrade everyone with better and more comprehensive coverage with full choice of providers, and will save families thousands of dollars by eliminating premiums, deductibles, co-pays and out-of-network charges.

Is universal health insurance “socialized medicine”?

No. New York Health would not tell your doctor or hospital how to care for you, and they would not be working for the government. That would be “socialized medicine.” New York Health just pays the bills. Like Medicare, which is public health coverage – not “socialized medicine.”

Won’t this result in rationing and long waits like in Canada?

No. In the U.S., premiums, deductibles, co-pays, and restricted networks are all forms of rationing, even if we don’t call it that. Each year, one in three families *with* health insurance has a family member put off care due to cost. In traditional Medicare – a single-payer system – there is no rationing or delaying care. Canada’s single-payer system doesn’t ration health care. There have been delays in getting some services in Canada, but not because their health plan doesn’t provide excellent coverage. It’s mainly because of management issues in their *delivery* system, largely because it’s hard to maintain high-volume hospitals in a country with a small population spread out over huge distances.

Who will run the health care system?

Today, our health care is largely controlled by insurance companies, which tell us who we can go to for care and what services they will pay for. There will be none of that in New York Health. There will be no limited provider networks. You choose your doctor or hospital. You and your health care providers make the health care decisions. New York Health just pays the bill.

Why not have a national system? Why should New York be doing this?

It *would* be great to have truly universal coverage in every state. But Washington is heading in the opposite direction. A progressive state like New York can and should take the lead. The states have long been the “laboratories of democracy,” and the Affordable Care Act gives states new authority to set up their own health care systems that meet Federal goals.