

Why We're Picketing the New York Health Plan Association Conference

Press Packet - 11/15/18

A coalition of healthcare professionals, unions and activist groups will picket the annual conference of the New York Health Plan Association (NYHPA¹), a trade association for the state's health insurance companies, in Troy, NY on November 15. The conference theme is "Decision 2018: The Intersection of Health Care Policy and Politics." **NYHPA is a leading member of the misnamed "Realities of Single Payer" coalition,**² whose mission is to defeat the New York Health Act, which would set up a universal, single-payer, publicly-financed healthcare system covering all New York residents without cost barriers. (More on the Health Act at nyhcampaign.org.) The coalition has been employing lies, distortions and scare tactics to preserve their profits, which would largely be dismantled if this bill passed.

The coalition's leading force is the **Business Council of NY State (BCNYS)**, a powerful lobby group led by mega-corporations from the insurance, pharmaceutical, and manufacturing industries, with close ties to right-wing think-tanks and lobby groups funded by the Koch Brothers and other billionaires. For example, Unshackle Upstate, a lobby group claiming to represent the interests of upstate New Yorkers, not only fights single payer, but also supports environmentally-destructive fracking by the oil industry and opposes increasing the minimum wage -- all in the name of improving economic opportunity upstate.



Leaders of the "Realities" coalition and national corporate opponents of single payer are on the conference agenda, including:

- Eric Linzer, President of NYHA
- Heather Briccetti, President of BCNYS
- Matt Eyles, CEO of America's Health Plans, the national lobby group for the insurance industry
- Kipp Snider, a vice president of PhRMA, the national lobby group for the pharmaceutical industry.

All of these lobby groups represent giant corporations with outlandishly huge CEO salaries (see examples at left) and some of the world's highest profit rates.

Last year CNBC reported that **"the nation's top six health insurers reported \$6 billion in adjusted profits for the second quarter.** That's up more about 29 percent from the same quarter a year ago – far outpacing the overall S&P 500 health care sector's growth of 8.5 percent for the quarter."³

¹ http://nyhpa.org/wp-content/uploads/2018/02/2018_Conference_Agenda-2.pdf

² <https://realitiesofsinglepayer.com/>

³ <https://www.cnbc.com/2017/08/05/top-health-insurers-profit-surge-29-percent-to-6-billion-dollars.html>

Falsehoods and Distortions by NYHPA and Its Mega-Corporate Allies

- **The NY Health Act would impose burdensome taxes on taxpayers**

NYS single-payer opponents often point to the recent RAND Corporation report on the Health Act (commissioned by the NYS Health Foundation) to justify the claim that a single-payer system would put an undue burden on taxpayers. Briccetti often emphasizes the report's finding that a single-payer system would require \$139 billion in new state taxes in 2022, rising to \$210 billion in 2031, which she has labeled "the largest state tax hike in U.S. history."⁴

Crucially, these and other anti-Health Act commentaries misleadingly claim that these new taxes would be burdensome and that a single-payer structure would *limit* rather than expand care. Opponents conveniently leave out these key findings of the RAND study:

- **The vast majority of New York residents would spend less overall on healthcare;**
- New taxes would effectively replace premiums, deductibles, and other prohibitive fees levied by insurance companies, which often limit access to care even for the insured; and
- In a single-payer system, the government and its residents would spend a larger portion of current medical outlays on actual healthcare (by cutting out administrative waste, inflated drug prices, insurance marketing and profits) and fully covering more people and services than under the current system.⁵

Further, opponents deliberately ignore the significant finding that with a single-payer system, **overall healthcare spending would decrease in the state, even as coverage and access to services grow.**

These critics selectively emphasize the necessary transfer from expensive, regressive premiums to affordable, progressive taxes that for most residents will be lower, in order to scare the public and protect their profits.

- **The Health Act would destroy jobs**

Another common falsehood promoted by opponents is that the Health Act, as Briccetti of BCNYS phrased it, "would be devastating to the economy." Yet the RAND report estimated that overall, with the uptick in residents whose healthcare costs are covered and reduced insurance costs to businesses and nonprofits, statewide employment would increase by 2%, producing some 150,000 new jobs by 2022. It also found that small and medium-size businesses would see major savings in healthcare costs when comparing the potential payroll tax rate to current insurance premiums.

- **The Health Act would remove patients' healthcare options**

Earlier this year, NYHPA issued a statement claiming that the Health Act "would take away options currently available to seniors and other New Yorkers." Yet the opposite is the case. Under the bill, all types of medical care – physical and mental health, dental, vision, and hearing, would be 100% covered for all NYS residents. Those on Medicare would receive improved benefits, while spending much less than they currently do on care. All patients would have the choice of any healthcare provider – the currently rampant narrow networks would be abolished. The only "option" taken away would be the option of purchasing a grossly inadequate insurance policy with gigantic deductibles and copayments and ever-rising premiums that leave millions of New Yorkers unable to meet their other basic living expenses and drive some to bankruptcy.

⁴ <https://blog.timesunion.com/capitol/archives/283973/anti-ny-health-act-coalition-grows-in-new-york/>

⁵ <https://blog.timesunion.com/capitol/archives/283973/anti-ny-health-act-coalition-grows-in-new-york/>;
<https://www.vox.com/policy-and-politics/2018/8/3/17648860/single-payer-explained-3-charts>



Myths and Facts about the NY Health Act: Guaranteed Health Care for ALL New Yorkers

MYTH: The NY Health Act will end Medicare as we know it.

FACT: The NY Health Act will greatly improve benefits for Medicare beneficiaries by covering vision, dental, hearing, and long-term care, while lowering cost by getting rid of copays, deductibles, and cost-sharing. You will have free choice of doctors, hospitals and other providers. The NY Health Act will not reduce any benefit or right currently available through Medicare, but it will strengthen access to care for Medicare beneficiaries, and guarantee health care for the rest of us, too.

MYTH: The NY Health Act will quadruple your taxes.

FACT: Studies show that 90% or more of New Yorkers will actually pay *less* in NY Health taxes than they do now for premiums, deductibles, copays and out-of-pocket costs for health care and prescription drugs.

MYTH: The NY Health Act will cause large job losses.

FACT: The savings from NY Health will put money back in people's pockets – including employers – and actually create 200,000 new jobs. People in jobs that are no longer needed in health plan and health care provider administration will take new jobs, aided by NY Health funds that can pay for re-training and transitioning, in a healthier NY economy stimulated by the savings of NY Health.

MYTH: The NY Health Act is bad for business.

FACT: Today, businesses are burdened by rising health care costs and health insurance paperwork. Many small businesses can't provide insurance because of its cost, and lose good employees to jobs that have health benefits. The NY Health Act is simple with predictable costs, necessary for businesses to thrive and for workers to stay healthy.

MYTH: The NY Health Act can't work if we don't get federal waivers for Medicare and Medicaid.

FACT: Even without federal waivers, New York can incorporate Medicaid, wrap around Medicare, and provide truly universal health care to all residents of New York at less cost than now. Federal waivers would help the system run more smoothly – for us and for the federal government – but they are not necessary for the system to work.

MYTH: The NY Health Act will cut payments to doctors and hospitals.

FACT: There are sufficient savings in NY Health that provider reimbursement rates can be raised so that they can actually see greater take-home pay. A majority of doctors now favor a plan like NY Health

because they are so frustrated with the current system. It will statutorily guarantee reasonable and adequate payment rates, and save providers billions in reduced administrative costs.

MYTH: The NY Health Act is government-run health care.

FACT: With NY Health, you and the health care providers you choose are responsible for your health care. NY Health just pays the bill. Medicare – an enormously popular program – is not “government run health care,” and neither is NY Health. But today, insurance companies largely run our health care – for their benefit.

MYTH: Employer-provided insurance is better than the NY Health Act.

FACT: The benefits of the NY Health Act are more generous and more certain than any private or public plan that currently exists. People who currently receive health insurance from their employer will have the peace of mind knowing that high quality, affordable health care will be there for them whether they have a job, move to a new job, or lose their job. Today, every year more money goes to skyrocketing costs of health insurance – a burden on employers, employees, and unions. With NY Health, almost all of us will keep more money in every paycheck and get better access to health care.

MYTH: Why don't we just cover the 5% of people who are currently uninsured?

FACT: While covering everyone is a major goal of the NY Health Act, just extending coverage to the uninsured does nothing for the ten times or more New Yorkers who struggle with premiums, deductibles, copays, out-of-network charges and unjustified denials of care. With NY Health, everyone is covered with high quality affordable health care, ending underinsurance for good.

MYTH: Government programs aren't very good. This will be second-class care.

FACT: What's not good is getting health coverage from companies that make money by getting in the way of the health care your doctor should be providing. The NY Health Act has statutory guarantees of comprehensive benefits, complete choice of providers, no out-of-pocket charges, and reasonable and adequate payment to providers. People with wealth and influence – including every legislator and the governor – will be in the same plan as the rest of us. They will make sure that their coverage is as good as can be, and the rest of us – and our doctors and hospitals – will be in the same plan with them.

MYTH: We shouldn't force everyone into this plan. We can just offer a public option.

FACT: Having everyone in the same plan is crucial to making sure we all have the best possible coverage and care. Keeping most of us in insurance company coverage, and adding an extra “public option” plan, guarantees that the billions of waste, unfair charges and unjustified denials of care in the current system continue. If the “public option” plan offers better access to care, then it will attract a disproportionate share of people who need a higher-than-average amount of care, and the plan will face higher and higher costs and fail. If it isn't better, what's the point – other than being a distraction from the sensible NY Health Act.

For more information, visit www.nyhcampaign.org/learn or email info@nyhcampaign.org

Lobbying Activities by Anti-Single-Payer Forces Against Healthcare Access, Restrictions on Price Gouging, and Corporate Accountability

The willful misrepresentations of the RAND study by “Realities of Single Payer” coalition members are in line with these same forces’ lobbying efforts over the years. Their primary objective of protecting their profits is reflected in their repeated attempts to block further taxation and regulation of their industries and, in the case of the insurance industry, to avoid expanding coverage for needed services.

In particular, the New York Health Plan Association (NYHPA) and the Business Council of New York State (BCNYS), have spent years lobbying against other legislation and regulations that would improve healthcare access and corporate accountability and reduce price-gouging and excessive profits in the healthcare sector. Some examples:

Limits on Corporate Profits, Insurance Rates, and High CEO Salaries

NYHPA

Repeatedly opposed state attempts to tax and cap profits of the insurance industry:

- Sued the NYS Health Dept. when it tried to: (1) cap executive health insurance salaries at \$200k when their companies received state funding, and (2) penalize all health insurance providers that pay their execs upwards of \$200,000.⁶ NYHPA’s lawyers claimed that the penalties were “arbitrary & capricious.”⁷
- Earlier this year, Gov. Cuomo proposed a 14% tax on health insurance companies’ profits to help ameliorate the state’s \$4.4 billion deficit. NYHPA opposed this and threatened that it would lead to higher costs for consumers.⁸
- In August, after the insurance industry requested rate increases averaging 24%, the NYS Financial Services Dept. slashed the amount by two-thirds, to 8.6%.⁹ Gov. Cuomo said the massive hike would have resulted in an average \$1,500 increase per policyholder. NYHPA opposed the decision and called the requested price hikes “reasonable.”¹⁰

BCNYS

- Also opposed Cuomo’s 14% proposed tax on insurance companies, of which \$140 million was to be spent on vital healthcare services to make up for federal Medicaid cuts.¹¹
- Opposed a state bill that would have required for-profit health insurance companies to pay out revenue realized as a direct result of Trump’s “Tax Cuts and Jobs Act of 2017” to consumers in

⁶ <https://www.jdsupra.com/legalnews/new-york-court-of-appeals-strikes-down-83964/>

⁷ <https://law.justia.com/cases/new-york/other-courts/2015/2015-ny-slip-op-25468.html>

⁸ <https://www.wnyc.org/story/february-21-2018-eric-linzer/>

⁹ https://www.crainsnewyork.com/article/20180803/HEALTH_CARE/180809957/cuomo-administration-cuts-insurer-s-rate-requests-by-almost-two-thirds

¹⁰ <https://www.wgrz.com/article/news/politics/new-york-health-insurers-seek-whopping-increase-for-2019/71-561368416>

¹¹ <https://www.bcnys.org/memo/s7509-a9509-part-dd-budget>

the form of rate reductions. Health insurers benefited from the decreased federal corporate tax rate (from 35% to 21% in 2018), but that didn't translate to lower rates for consumers.¹²

- Opposed a tax on opioid producers as part of an overall effort to control the epidemic in drug overdoses.¹³

Policies to Expand Healthcare Access

NYHPA

- Opposed a proposed \$25 million expansion of Community First Choice Option, which allows low-income NYS residents to receive long-term personal care services and support for independent living in their home and community, rather than require institutionalization such as nursing-home placement.
- Opposed the implementation of a "covered lives assessment," which would have mandated private insurance coverage of EI (Early Intervention) services delivered to children with special learning and developmental needs in NYS.

BCNYS

- Like NYHPA, opposed mandated private insurance coverage of Early Intervention services for children.¹⁴
- Opposed the State's proposal to mandate that pharmaceutical companies create drug take-back programs designed to help alleviate the opioid crisis. They claimed, among other things, that this would "increase drug costs for consumers."¹⁵
- Opposed a bill that would have mandated expanded coverage of contraceptives, including emergency contraception and sterilization.¹⁶
- Opposed a bill to create safe-staffing requirements for nurses in NYS hospitals. These requirements are designed to improve patient and nurse safety by making sure that no nurse is assigned to too many patients at a given time.
- Opposed price controls for prescription drugs.

¹² <https://www.bcnys.org/memo/s7587-hannon>

¹³ <https://www.bcnys.org/s7509-a9509-part-cc-budget>

¹⁴ <https://www.bcnys.org/a9507-b-budget-part-o-sections-17-17-l>

¹⁵ <https://www.bcnys.org/s7354-hannon>

¹⁶ <https://www.bcnys.org/memo/a9957-cahill>