New York State NURSES ASSOCIATION

MEMO OF **SUPPORT**

A5062
By Assemblymember Gottfried

S3525
By Senator Perkins

An act to amend the public health law and the state finance law, in relation to enacting the "New York health act" and to establishing New York Health

The New York State Nurses Association (NYSNA), representing the interests of registered nurses (RNs) and the patients they serve, enthusiastically supports the New York Health Act, which would establish a comprehensive program of universal healthcare coverage for all residents of New York state. This bill would provide all residents with healthcare coverage without regard to age, income, health or employment status. Benefits would include all medically necessary health services including preventive and primary care, hospital care, dental, vision care, prescription drugs, mental health, addiction treatment and rehabilitative care.

The Crisis in Health

The implementation of the Affordable Care Act has been an important step in recognizing the crisis we face, however it does not go far enough towards providing equitable and universal health care. As of February 2015, nearly 2.1 million New Yorkers had obtained insurance via the state's new healthcare exchange, yet more than 1.7 million of those (over 80%) are enrolling into Medicaid or Child Health Plus.[1] Thus the most successful part of the ACA for New York has been the expansion of the (underfunded) single payer model. For many of those that do have private health insurance, high costs continue to remain a barrier to care. Private plans purchased through the exchange or employers provide coverage with inefficient for-profit insurance companies who are beholden to shareholders seeking to maximize profits – not patient care. This creates a patchwork system that does not guarantee access to necessary services because beneficiaries may be denied care due to restrictions on provider networks. Increasingly, high deductibles and co-pays are forcing even New Yorkers with insurance to forgo necessary health care, adding to their risk of illness and disease.[2] Studies have repeatedly shown that failure to seek preventative care results in higher costs and worse health outcomes. Our current system incentivizes such behavior resulting in thousands of unnecessary deaths.[3]

The Crisis In Costs

If our healthcare system does not kill you, it is likely to bankrupt you. The U.S. stands alone as the largest and most advanced economy on the planet, yet we continue to fiscally punish the most vulnerable in our population when their health fails them. Medical bills stand as *the **largest***

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[1] NY State of Health, Press Release, Feb. 18, 2015 [available at: http://www.healthbenefitexchange.ny.gov/news/press-release-ny-state-health-ends-second-open-enrollment-more-21-million-enrollees].
[2] Gallup Poll: Rifkin, Rebecca. *Cost Still a Barrier Between Americans and Medical Care.* Nov. 28, 2014 [available at: http://www.gallup.com/poll/179774/cost-barrier-americans-medical-care.aspx].
[3] Friedman, Gerald. *Economic Analysis of the New York Health Act*. March, 2015 [available at: http://www.nyhcampaign.org/study].

cause of personal bankruptcy.[4] Thus our system penalizes our population when they become sick and injured. If Washington cannot act, New York state must rise to the challenge.

Because healthcare spending in New York has risen faster than income, the share of the state income spent on healthcare and the administration of the healthcare system has risen from 12% in 1991 to 16% in 2014. It is projected to pass 18% by 2024. The average cost of an employer-provided family plan in New York has risen to over $17,500 – a figure that does not include thousands of dollars in deductibles, co-pays, and prescription drug costs.[5]

Our private insurance system is flush with waste. By eliminating billing expenses, administrative costs in the insurance industry, monopolistic pricing of drugs and medical devices, and fraud, the Act would save over $70 billion in 2019, and savings are projected to increase over time.[6] Even after expanding coverage to the uninsured, removing barriers to access, and correcting the underpayment of Medicaid services, **the Act would save $44.7 billion in the first year alone**, nearly $2200 per person.[7]

Public expenditures on programs like Medicare, Medicaid, and Child Health Plus are already projected to account for more than half of the population of New York by 2019.[8] If you add in the costs of insuring public employees, the number jumps to near 60%. These funds can be spent even more efficiently if they were pooled together with new funding to cover the rest of the population. Additional funding would be financed with assessments collected by the State based on ability to pay. Payroll assessments would be graduated according to income, and there would be a progressively graduated assessment on non-payroll taxable personal income (e.g., capital gains, dividends and interest). These would fund health care in New York while reducing the burden on the sick, the poor, and the middle class. While the largest savings would go to working households earning less than $75,000, **over 98% of New York households would spend less on healthcare** under the Act than they do now.[9]

This would also result in significant savings for hospitals as employers, meaning dramatic improvements for our members. When compared with the healthcare costs in our current collective bargaining agreements (both private and public sector), thousands of dollars a year per nurse could be redirected into wages, retirement, or other benefits.

Every day, nurses in New York care for patients in the midst of a broken healthcare insurance system. We see New Yorkers who rely on the emergency department as their primary entry point for care. We see New Yorkers who delay treatment until they are so ill, they must lose work time and be hospitalized. Our current healthcare system has failed to adequately prevent disease, promote health, protect our children, the disabled and the elderly. As nurses, it is our duty to support legislation that would remedy this.

The New York Health Act would reform healthcare in New York and serve as an inspiration for the rest of our country. It would put more money in the pockets of nearly all New Yorkers, including nurses, small businesses, municipalities and the state. Most importantly, by reducing the number of New Yorkers without health care and removing financial barriers to accessing care, these improvements would save thousands of lives each year.

March 17, 2015

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[4] CNBC: Mangan, Dan. *Medical Bills Are the Biggest Cause of US Bankruptcies: Study.* June 2013. [available at: http://www.cnbc.com/id/100840148].
[5] Friedman Study, *Supra* n. 3.
[6] *Id.*
[7] *Id.*
[8] *Id.*
[9] *Id.*