

AFFORDABLE AND COMPREHENSIVE UNIVERSAL HEALTH CARE COVERAGE

Empire State Economic Security Campaign

The Challenge

The rising cost of health care is a major concern for all segments of New York. Inadequate coverage, even among persons who are insured, has become a major cause of personal bankruptcies. An estimated 2.7 million New Yorkers are uninsured.

Unfortunately, the recent Congressional effort to achieve universal health care from the very beginning fell far short of what was needed. The various proposals excluded tens of millions from coverage while leaving many more with inadequate coverage. An even bigger problem was Congress' failure to recognize that the private health insurance industry is the root causes of many of the problems with our health care system. Insurance drives up costs to pay for their overhead, profits and marketing costs while restricting individuals' access to health services in order to protect the companies' profits. Instead of eliminating health insurance, Congress has sought to mandate that every American has to purchase insurance if they don't get it from employers or the government. In addition, even though the vast majority of workers who have no health insurance work for small employers, Congress from the start exempted such firms from the expansion requirements.

In 2007 the State Legislature agreed to provide funding for an impartial cost-benefit analysis of the best way to provide health care to all New Yorkers. The report by the Urban Institute, released in July 2009, found that single payer was the best. Savings from single payer substantially increase over time. By 2019, single payer would save \$20 billion annually based on the report's projected 6% annual increase in baseline health care cost (\$130 billion for single payer vs. \$150.25 billion for present system). Single payer would cost \$28 billion less annually than the 18 public-private hybrids studied (i.e., expanding public programs like Medicaid, a small public option, and a mandate to obtain insurance, or in other words, the model Congress has pursued). A copy of the report is at <http://www.partnership4coverage.ny.gov/>.

Assuming that Congress does finally pass some health reform, its impact will likely be limited in New York (e.g., we have already increased Medicaid eligibility limits). Many of the provisions will take several years to phase in. Hopefully, over time it will reduce the number of New Yorkers without insurance, but will do little to nothing to control the skyrocketing costs of health care and will continue to leave many without real access to quality health care services. A number of other states are moving ahead with efforts to enact a single payer system. A majority of the State Assembly are sponsors of single payer legislation.

Despite having some of the best medical professionals, hospitals and equipment in the world, the U.S lags behind many other countries on basic public health indicators such as life expectancy and infant mortality rates. Our overall quality is only ranked 37th by the World Health Organization. US spending on health care is now over 2.5 trillion dollars – \$8,000 per person. This is more the double the world average of \$2,571. This amounts to a whopping 17.7% of our GDP on health care – far more than any other country – which puts our businesses at a competitive disadvantage in the international marketplace. Increases in health care costs thwart job growth, suppress increases for current workers, weaken the viability of pension funds, and depress the quality of jobs.

What the Public Thinks

Public opinion polls have consistently shown strong public support for a universal health care system. For instance, a March 2007 poll by CBS/ NY Times found that 64 percent of the respondents said the government should guarantee health insurance for all; 27 percent said it should not. A national survey by Indiana University of 2,193 doctors found almost 60 percent support for national health insurance (NHI) -- a 10 percent increase in support since 2002. Many labor, community and faith groups have endorsed single payer, including NYS AFL-CIO, Physicians for a National Health Program, NYS State Nurses Association, NYS Academy of Family Physicians, Healthcare Now, Presbyterian Church USA, and United Auto Workers.

There have been from 11 polls conducted over the last two decades which used the phrase “single payer” and/or referred to an existing single-payer system. All found majority support for single payer, with a low of 50% and a high of 69%. Massachusetts is the one state that has adopted the insurance mandate being pushed in Congress. When voters in 10 Massachusetts districts were asked to choose between their present insurance mandate and single payer, they overwhelmingly voted for single payer (average 73%).

ES2 Policy Recommendations

ES2 supports a universal health care system to provide quality, comprehensive health care service to all New Yorkers. The most common sense solution is a single payer financing system, similar to Medicare for All. (A2356/S2370) This system, used by almost all of the other industrial countries, eliminates the huge waste and paperwork of the private health insurance system.

Whatever universal health care system that is adopted by New York should lower rather than increase costs; administrative overhead should be reduced to less than 10% and a single form for doctor reimbursement should be instituted. Patients' care, not profits, should be the focus of our health care system. The health care system should be paid for in an equitable way: those with higher incomes should pay a higher proportion of their incomes than those with less. We define universal health care coverage to mean that 100% of residents are covered; requiring even modest premiums and co-pays will prevent many moderate income families from accessing health care.

The 2010-2011 Session

Medicaid. ES2 endorses the positions of Medicaid Matters NY. ES2 supports making the Medicaid application and renewal processes as streamlined as possible. We support the proposals by the Governor to reduce documentation for individuals enrolled in community-based long term care and the elimination of the documentation for interest income (as long as the amount does not make the person ineligible for coverage).

ES2 opposes the Governor's proposed to cap personal care at 12 hours per day. Anyone needing more than 12 hours per day would be required to move into a manage care program that is not designed for them or move back into an institution, such as a nursing home. We should not target people with the most significant needs who are already being served in the best, most cost-effective way. ES2 also opposes budget proposals to require prior approval of physical and occupational therapy and controls on payment for medical supplies.

ES2 opposes elimination of the Medicaid and EPIC wraparound protection to Medicare Part D. EPIC should be expanded to people with disabilities under age 65. ES2 supports the Governor's proposal to create 100 new slots for the Doctors Across New York program.

Charity Care. ES2 supports the Governor's proposal to fund hospital charity care 100% based on units of service to the uninsured. ES2 opposes the overall cut to charity care funding.

While ES2 supports the elimination of health insurance, we support reforms being considered in the state legislature to make private health insurance affordable and comprehensive. ES2 supports restoring "prior approval" by the State Insurance Department for proposed rate increases in the individual and small group markets, along with public hearings, when premium increases exceeding 10% in a year are proposed. We also support raising minimum medical loss ratios to 90% for the individual and small groups markets; this means that at least 90% of our premiums would have to go to pay for health care. Too much of our health care premium dollars go to big salaries, administration, marketing, and advertising.

We oppose proposals included in the budget that would increase Family Health Plus Buy-in co-payments. Higher co-pays deter care and result in more expensive care.