

**Testimony of Dell Smitherman, Downstate New York Political Director, 1199SEIU
Joint Assembly and Senate Public Hearing
New York Health Act (A.5248/S3577)**

1199SEIU United Healthcare Workers East unequivocally supports the aims of the “New York Health” bill to provide comprehensive, universal health coverage for every New Yorker. In fact, our Union’s Constitution commits us to fight for “expand[ing] quality healthcare coverage to every person in society as a human right.”

Our members have been in the trenches in that fight for decades, and we know how hard it can be to win real improvements in a very complex system which comprises one-sixth of our economy. We also know that the very precariousness of our current system ---including the attacks on health care of the last two years – leads some to fear that change could leave them worse off, not better. That’s why we are grateful to be having this conversation today. By talking in detail both about the human cost of the gaps in our current system and about how it could change, we can help directly address those fears.

The members of our Union see the consequences of our broken healthcare system every day, including patients arriving in emergency rooms in advanced stages of disease because they did not have access to primary and preventive care, seniors skimping on needed medication because they cannot afford to pay for their prescriptions and families forced to make impossible choices about maintaining health coverage or paying for other necessities. We also see safety net hospitals struggling to provide care to their communities with inadequate reimbursement, and significant human and financial resources devoted to chasing payment for services rendered instead of providing care.

When we open the newspaper, we see that the for-profit sectors of healthcare have been doing very well. Pharmaceutical and device manufacturers are posting double digit net profit margins.¹ Insurers benefited dramatically from the Congressional tax overhaul.²

Six percent of our state’s residents – over 1.1 million New Yorkers – are currently uninsured.³ And of those who have insurance, significant numbers are underinsured. More than 52% of New Yorkers in a recent survey said they experienced healthcare affordability burdens in the past year.⁴ Cost was by far the most recently cited reason for not getting needed medical care. 50% of respondents across all income groups were deeply concerned about affording medical and long-term care costs when they get older.

¹ <https://docs.google.com/spreadsheets/d/1X7-NPrOJXPMt2i2dIMkMFTrQ0208wvCyuEk84RJebRk/edit#gid=1806384811>

² <https://www.axios.com/blue-cross-blue-shield-health-care-service-corp-2018-tax-refund-f6a392be-54d7-4a25-b2e4-bb37d54ceaa4.html>

³ <https://www.kff.org/other/state-indicator/total-population/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

⁴ <https://www.cssny.org/news/entry/new-statewide-healthcare-affordability-survey>

This is the crisis that the New York Health Act addresses by providing every New Yorker with comprehensive health insurance, fairly funded through a progressive tax.

We are tremendously proud of the 1199SEIU National Benefit Fund, which provides comprehensive health insurance for our members and their families with no out-of-pocket costs. We also recognize that what we have been able to win at the bargaining table is more and more rare. Across the country, out-of-pocket costs for health care consumers have been rising. It is true that our benefit fund would no longer provide health insurance under a single-payer plan like New York Health. That would require major organizational changes on our part. But our leaders and our members know that winning universal healthcare for all – and ending the suffering of far too many under the current system -- would be worth that disruption.

Finally, I want to address the question of the impact of a single-payer system on hospital revenues and on healthcare workers' jobs.⁵ A lot depends, of course, on the assumptions that are made about what payment rates would be under the new system. It is clear that there is cost-shifting under our current system, with public payors paying less than the cost of providing care and private insurers making up the difference. That is the reason that safety net providers without a significant base of privately-insured patients are in such financial distress. If payments under New York Health were pegged to current public payor rates, that crisis would indeed spread much more broadly and lead to a reduction in access to care and significant job losses. But the Rand analysis of the economics of the New York Health Act, which found a likely net savings, assumed that the existing dollars would stay in the system.⁶ As the Empire Center for Public Policy found⁷, averaging payments across providers would benefit the safety net hospitals receiving the lowest payments now, even as some of the highest-revenue hospitals would see reductions.

The reality is that change is a constant in the health care system. In the last 20 years, almost 30 hospitals across New York State have already closed. Filing clerk jobs disappeared with the transition to electronic medical records. Advances in technology and cost pressures have moved care out of institutional settings into ambulatory surgery centers, community-based clinics, and patients' homes. Individual hospital revenues have risen and fallen with changes in demographics, services offered, research investments and management strategy.

What matters is how we manage that change. We can fail to build out needed community services, as happened with the closures of mental institutions. We can allow high quality jobs to be replaced with low quality ones, undermining the economic base of communities, as has happened in so many industries. Or we can carefully plan transitions and invest to ensure that experienced workers can continue to provide for their families. That is what the Health Act

⁵ <https://www.nytimes.com/2019/04/21/health/medicare-for-all-hospitals.html>

⁶ https://www.rand.org/pubs/research_reports/RR2424.html

⁷ <https://www.empirecenter.org/publications/under-single-payer-health-care-some-hospitals-would-lose-revenue/>

provides for workers in the insurance and billing industries whose jobs may be affected. And that is what we are doing in Brooklyn, as hospitals are changing to meet current needs with a significant investment in workforce transition.

We commend the sponsors of the Health Act for their comprehensive approach to addressing the crisis in our health care system, and we thank you for the opportunity to testify today.