



**Testimony Provided to the New York State Senate and Assembly Health Committee
on the Proposed New York Health Act**

May 28, 2019

Testimony delivered & submitted by Michael Kracker, Executive Director, Unshackle Upstate

Chairman Rivera, Chairman Gottfried and the members of the panel, I would like to thank you for providing the opportunity for myself and others to testify today on this important issue.

I am the executive director of Unshackle Upstate, a non-partisan, pro-taxpayer, pro-economic growth, education and advocacy coalition made up of business and trade organizations from all parts of Upstate New York.

As an organization, our focus is to advocate for Upstate businesses and taxpayers, pushing for reforms in Albany that will make Upstate New York a better place to live and a stronger place to do business.

I am here today to raise concerns about the proposed New York Health Act and its impact on an already struggling Upstate economy.

New York already faces serious economic challenges. The non-partisan Tax Foundation ranked New York the second worst business tax climate in the nation. This has contributed significantly to our outmigration and jobs crises in many Upstate communities.

The billions of dollars of new taxes and spending included in the New York Health Act will exacerbate these problematic issues.

Funding this policy would require more than \$200 billion dollars in new taxes, the largest increase in New York State history. Much of this burden will be borne by New York employers, including small business owners who are already struggling to survive in New York's hostile business climate.

The massive new revenue required for this program will be generated, in part, by a new payroll tax, 80% of which will be paid for by employers. These new taxes will be added to an already long list of onerous mandates, taxes and regulations that New York businesses must contend with.

These tax increases should be expected to grow over time as the cost of health care rises year over year and more businesses and residents flee the state, leaving those remaining to cover

the costs. This is not rhetoric - this is reality. More than 1 million New Yorkers have left the state over the last 10 years. The historic tax hikes and spending increases associated with this proposal will force more hardworking people to leave the Empire State.

This legislation will also result in unprecedented job losses. According to a report from Gerald Friedman, the New York Health Act will displace more than 150,000 workers. For Upstate, which still has not recovered the jobs lost during the Great Recession, this would have a truly devastating impact.

As the large manufacturers left the state, many communities rebuilt their economies around education and healthcare. By outlawing private insurance, this legislation would immediately eliminate tens of thousands of those healthcare jobs. In Upstate cities like Buffalo, Syracuse, Rochester, Albany and others across the region, that have been fighting to establish new economic identities and revitalize their communities, these job losses would be a knockout punch.

To be clear, I believe it is critical that we work to improve our current system and achieve universal coverage. With 95 percent of New Yorkers currently covered by some form of insurance, we are very close to this goal.

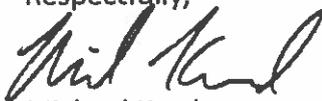
Achieving these objectives, however, should not require the destruction of our current healthcare system, displacing 150,000 jobs and wreaking havoc on our state's economy.

Put simply, Upstate New York businesses and taxpayers cannot afford this proposal.

Unshackle Upstate opposes this single-payer approach and instead encourages our leaders to engage with stakeholders to find responsible ways to reduce healthcare costs, and affordably expand coverage to all New Yorkers.

Again, thank you to the Chairs and members of this panel for this opportunity.

Respectfully,



Michael Kracker
Executive Director
Unshackle Upstate

Contact:

716.541.1755

Michael.Kracker@unshackleupstate.com