



# *Testimony*

to the  
**Senate Standing Committee on Health  
and  
Assembly Standing Committee on Health  
on  
the New York Health Act**

**May 28, 2019**

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*Representing more than 600,000 professionals in education and health care  
Affiliated with the AFT – NEA – AFL-CIO*

*Testimony of  
Andrew Pallotta  
President,  
New York State United Teachers  
to the  
Senate Standing Committee on Health  
Senator Gustavo Rivera, Chair  
and  
Assembly Standing Committee on Health  
Assemblymember Richard N. Gottfried, Chair  
on  
the New York Health Act  
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Chairmen Rivera and Gottfried, honorable members of the Senate and Assembly Health Committees, distinguished guests and staff, I am Andrew Pallotta, President of New York State United Teachers (NYSUT). NYSUT represents more than 600,000 in-service and retired education workers statewide, including 16,000 professional registered nurses and health care professionals working in the public and private sector.

We greatly appreciate your invitation to appear before you today to discuss the very important topic of single-payer universal health care in New York State.

To be clear, NYSUT does not oppose a single-payer health care system that provides every individual with high quality medical care — especially those families who cannot otherwise afford (or can barely afford) this fundamental need. It should be noted that up to 60 percent of New Yorkers who are currently uninsured are eligible for free or subsidized health insurance. We should first take additional steps to ensure that these populations are better able to access the care to which they are already entitled.

We firmly believe the solution to this problem should be addressed at the federal level. At the federal level, there is a superstructure in place (Medicare/Medicaid) that would simply have to be broadened. Establishing these benefits at the state level would require an enormous amount of additional state resources which may put other public services at risk. This program being established at the federal level, would be more efficient and the revenues to establish such a program would be more readily available.

To this end, our membership passed a continuing resolution in 2018, opposing all attempts to reduce the health care access provided by Medicare, Medicaid and the Affordable Care Act. We support a sensible and cost-effective federal single-payer health care system that is modeled after the Medicare system, as proposed in the Federal Medicare for All Act.

We emphatically agree with the goal of increasing access to quality health care services for all New Yorkers, however, we also have concerns regarding the method that would be established pursuant to the New York Health Act (NYHA).

We view the following provisions as problematic:

**Cost** – According to a Rand study of the New York Health Act, additional state tax collections from New York Health (NYH) payroll and non-payroll taxes would need to be \$139.1 billion (in 2022) and \$210.1 billion (in 2031) to fully finance NYH. Current total New York State tax collections are projected to be \$89.3 billion. Those estimates were calculated prior to the recent amendment to the Act that added provisions to include long-term care. Estimates indicate that this amendment will raise costs by an additional \$18 to \$22 billion. While the NYHA indicates that new payroll and non-payroll taxes will be graduated, specific rates are not identified. Moreover, it should be noted that while the payroll tax will be paid (at least) 80 percent by employer and 20 percent by employee, non-payroll taxes will be paid 100 percent by the employee. While the NYHA mandates that the new tax will be graduated, rates are not provided and will likely fluctuate from year to year.

**Organized Labor's Role** – The NYHA establishes a board of trustees. The board has broad and sweeping authority within the structure of the law, yet has no meaningful presence of organized labor. A critical service that many locals provide to their members, with the intense assistance of NYSUT, is the bargaining of health insurance benefits. We work directly with public employers and consortia, and often play a critical role in finding solutions to best provide excellent benefits within a responsible cost structure.

**Impact on Retirees** – The legislation does not provide a specific mechanism to protect insurance coverage for retirees. Retiree health insurance is invaluable to many NYSUT members. The NYHA does not establish or protect health insurance coverage for retirees, nor does it specifically address either the continuation or elimination of the Moratorium Law (Chapter 504 of 2009), which restricts changes that can be made to retirees' health insurance benefits. The NYHA establishes Section 5102(1) of the public health law to create the New York Health Board of Trustees, and further establishes Section 5103(8)(b) of the public health law to direct the Board of Trustees to develop proposals for:

- incorporating retiree health benefits into New York Health;
- accommodating employer retiree health benefits for people who have been members of New York Health but live out of the state; and
- accommodating employer retiree health benefits for people who earned or accrued such benefits while residing in the state prior to the implementation of New York Health and live as retirees out of the state."

While NYSUT appreciates the recognition of the importance of retiree benefits, there are not sufficient protections built into the statute for our current and future retirees.

**Level of Care** – NYSUT members have insurance plans that often have higher levels of coverage. This includes scope of physician networks and coverages, without accompanying high out-of-pocket costs. There is nothing to indicate that NYH will provide the same level of care.

- The Rand study examined level of care, and concluded that there is likely to be "congestion" or unmet demand for health care services;

- Under the NYHA, the Rand study estimated that patients' demand for hospital care would increase by around 10 percent and patients' demand for physician services would increase by around 15 percent.

**Federal Cooperation** – The legislation, as proposed, assumes significant cooperation with the federal government in the granting of necessary waivers.

Again, NYSUT wants to see every New Yorker afforded access to quality health care without any type of impediment. As educators and health care providers, we fully understand the need for all of New York's population (i.e., the elderly, indigent, uninsured/underinsured and undocumented) to be as healthy as possible. We appreciate and respect the goals of the NYHA in helping all New Yorkers. However, the undertaking of providing access to health care for all is highly complex and costly and should be handled at the federal level.

NYSUT and our national affiliate, the American Federation of Teachers, support legislation like the Medicare for All Act. The bill provides comprehensive protections against the cost (i.e., no deductible, coinsurance or copayment) of health care and provides for the maintenance of health care, diagnosis, treatment or rehabilitation of health conditions. It also allows states to set additional standards.

Thank you for the opportunity to testify today. NYSUT applauds Senator Rivera and Assemblyman Gottfried for soliciting input from stakeholders with regard to this important issue.

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