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Testimony to the NYS Senate and Assembly Health Committees  
New York Health Act (A.5248/S.3577)

October 10, 2019

Chairman Rivera, Chairman Gottfried, and members of the committees, thank you for the opportunity to testify before you today.

As president and CEO of the Greater Rochester Chamber of Commerce, I have the pleasure of representing 1,300 businesses across Rochester and the nine-county Finger Lakes region.

Rochester Chamber supports policies aimed at lowering healthcare costs for employers and their employees. We also support ensuring that every single person has access to high quality and affordable healthcare. I am here today to explain the concerns our members have with the New York Health Act in its current form.

Thanks in large part to the historic Affordable Care Act enacted under President Obama and to the policy decisions under Governor Cuomo, substantial strides have been made in lowering the uninsured rate and making healthcare more affordable for New Yorkers. According to the most recent data released by the U.S. Census Bureau, New York's uninsured rate in 2018 dropped to 5.4%. Upstate's rate is lower at 3.5% and the Finger Lakes region's rate is even lower at 3.1%.

Of those remaining individuals who are currently uninsured, one-third of them are eligible for low or no cost healthcare coverage, such as Medicaid or the Essential Plan. If those uninsured individuals enrolled in the coverage they are eligible for, the uninsured rate in this area drops to 1.6%. This is significant considering we were at double digits less than ten years ago.

When it comes to the affordability of healthcare, Upstate stands out from the rest of State. A national study of the cost of private health coverage among the most populated cities in the country found that Rochester had the 3<sup>rd</sup> lowest costs in the country, Buffalo had the 4<sup>th</sup> lowest, and Syracuse the 15<sup>th</sup> lowest. And when it comes to Medicare spending, Rochester also ranked the 8<sup>th</sup> lowest in the nation.

The healthcare communities in Rochester and Upstate New York have been successful in building a system that has not only achieved near universal coverage, but has made coverage as affordable or more affordable than any in the country.

All of that said, we agree that more can be done in controlling costs and enhancing affordability. This should be done by building on the success seen thus far. We fear that this legislation would prove harmful to much of what has been achieved to date, replacing it with an experimental, government run single payer system.

The legislation makes good faith attempts at laying out how such a system would operate, but leaves many open questions, including how single payer would ultimately affect access and quality of care.

Economic and workforce development are two other critically important areas to consider.

As it stands, this legislation would require unprecedented tax increases. The ramifications of these tax increases alone would have a devastating effect on the economies of Rochester and Upstate, adversely impacting our efforts to bring young people and families here to live and work.

As you know, one of the largest challenges businesses and individuals currently face is high taxes. The required taxes and new State spending needed to fund the proposed legislation would certainly be one of the largest state-based tax increases in U.S. history. Based on independent analysis by the RAND Corporation, this law would require more than \$250 billion in new taxes when fully implemented, doubling the State's tax burden.

Local businesses already struggle to compete with other states. This would only put New York, especially upstate, at a larger competitive disadvantage.

If passed, this new law would also eliminate tens of thousands of jobs. Health insurance companies, hospitals, outpatient offices, and other such facilities would all be impacted. These employers invest in their employees and their communities, and put food on the tables of thousands of families in this region alone.

Hospitals in the Rochester region, which directly employ about 45,000 people generating an overall 100,000 estimated jobs, would see significant drops in revenue. For example, year one that this language is enacted, Strong Hospital – a major regional employer – would lose more than \$3 million. By year two, that revenue loss climbs to more than \$9 million. Ultimately, this means making more it more difficult to access high quality healthcare for our region.

As much of upstate still has not recovered from the Great Recession, other businesses would feel added stress as well. Passage of this bill as is would hurt existing efforts to increase private employment levels.

New York has made incredible strides in improving the quality and affordability of healthcare and continues to do so. A government-run single payer system will negate much of the progress we have seen.

Thank you for the opportunity to provide perspective from Rochester Chamber's membership on this important issue.