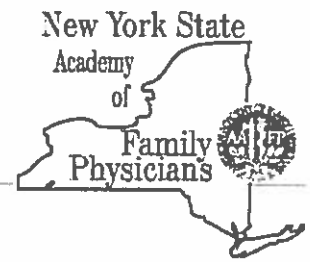


New York State Academy of Family Physicians

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Scott Hartman, MD
Testimony for the
Assembly Committee on Health
Public Hearing on
“The New York Health Act”

October 10, 2019
10:00 AM
Memorial Art Gallery Ballroom
500 University Avenue
Rochester, NY 14607

Chairmen Gottfried and Rivera and other honorable members of the Assembly and Senate Health Committees, thank you for conducting public hearings on this important topic. My name is Scott Hartman, and I am a Family Physician practicing in Rochester. I currently chair the Public Health Commission of the New York State Academy of Family Physicians (NYSAFP), which represents nearly 6,000 physicians, residents and medical students across the State. I am also chair-elect of the Public Health Commission of the national American Academy of Family Physicians, representing over 100,000 physicians in the United States.

Multiple times every day, I see patients that cannot access optimal medical treatments for chronic conditions like asthma and high blood pressure due to high-deductible plans. Patients ultimately suffer with chronic symptoms, and in some cases progress to strokes and heart attacks that could have been prevented with timely use of affordable medications.

I recently saw two patients end up in the hospital with severe complications of diabetes.....One because she switched employers and had to wait over a month for new insurance, and the other because the diabetes medication that worked well for him wasn't cover by his employer-sponsored insurance.

NYSAFP has studied various systems to provide universal coverage while controlling costs, and we have concluded that single payer is the best path towards achieving universal health care for all New Yorkers. If we simply adjust with the current system with its administrative excess, we will never manage the costs of fundamentally sound health care or of innovative therapies. The current system is failing New Yorkers. Single payer will increase taxes for a small portion of residents, but those increases are more than offset by the elimination of extremely expensive health insurance premiums.

We must pass comprehensive reform as provided by the "New York Health Act." It will achieve universal coverage, improve efficiency and quality of the care, control costs, distribute costs equitably, improve the state's economy and competitiveness of its businesses, and promote the viability of health care systems.

Key Components of the Program

Statewide Health Care Budget. This mechanism will constrain costs and allow for system-wide projections of anticipated needs, revenues and expenditures. The Single Payer will create public accountability for all health care expenditures. Under the current system, no accountability exists.

Enforcing the Health Care Budget. Once the budget is adopted, the Single Payer has the capacity to monitor all sectors of the health care system to ensure they operate within the budget because it is the only payer. If expenditures begin to rise faster than what is budgeted, a Single Payer has the capability to manage costs and reimbursements and control health care inflation.

The current multi-payer system is incapable of setting and effectively enforcing a Statewide health care budget.

Collective Bargaining. Collective bargaining is a fundamental feature of The New York Health Act. This legislation affords health care providers a new right to collectively bargain with the Single Payer on not only reimbursement issues but other terms and conditions of care. Collective bargaining is an ideal feature, because the Single Payer is also the single purchaser of health care. Collective bargaining is a fair, reasonable and proven principle of the U.S. economic system. It assures an equitable mechanism for identifying and addressing the major issues confronting our health care system.

Negotiations can include ways to slow down inflation as discussed earlier. Negotiations can also include ways to share savings when a surplus occurs. This arrangement encourages health systems to be prudent stewards of resources.

Eliminating Administrative Waste and Costs. Our current multi-payer system is extremely inefficient and wasteful. A Single Payer system would reduce the current cost of health care by as much as 25% by eliminating duplicative administrative costs associated with multiple payers. It would replace a fragmented payment system and its redundancies, and thereby reduce the associated administrative bureaucracies. *Conservative* estimates show savings of \$15–20 billion of our \$250 billion system, a savings of about 6% - 8%.

Clinician offices and hospitals are forced to waste money on large staffs for interaction with multiple insurers. For example, American physicians spend almost four times as much in money and staff time on administrative processes as physicians in Ontario, Canada. The average U.S. doctor spends one-sixth of his or her working hours on non-patient-related paperwork, time that could otherwise be spent caring for patients. Our own members tell us that they have to hire 1.5 to 2 full-time equivalent staff people per physician just to handle claims-related and utilization management issues.

Administrative costs account for 25% of total U.S. hospital spending, according to a Commonwealth Fund study that compares these costs across eight nations. The United States had the highest administrative costs; Scotland and Canada had the lowest.

Timely Payment to Health Care Providers. Given the enormous number of administrative steps that a single claim must endure, providers are often denied timely payment. The Single Payer, however, can fix this. First, since it is the only payer, it will be able to centralize and process all claims and payments. Second, again because it is the only payer, it will be able to separate the flow of money from the adjudication of claims. These issues particularly affect primary care practices, and improving payment under Single Payer will help assure access to primary care for all New Yorkers.

Recognizing the Necessity of Reasonable Limits on Services. Some have expressed concern that a Single Payer may ration health care. But health care is rationed now - rationed on the basis of ability to pay. People without insurance and those with high deductibles all forego needed care. Insurers implement utilization management tools ration care, but taxpayers and voters have no voice in determining these limits.

Under Single Payer, any rationing will be a more equitable and consistent process than what is used by our current multiple-payer system, and the public will have a huge say in it.

A HUMAN RIGHT

The American Academy of Family Physicians has produced policy statements declaring that “health care is a human right” and that a system of universal coverage for all Americans is an urgent goal. In New York, we have the opportunity to be innovators and leaders with the NY Health Act.

I see patients suffering every day from lack of coverage, and this suffering is unconscionable. The time to act is NOW because we cannot avoid more illness, more suffering and more unnecessary deaths because of failure to pass this health care bill.