

Testimony to the Joint NY State Assembly and NY State Senate regarding the New York Health Act

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Thank you all for inviting us here to testify today.

I could give testimony about how the current state of health care has affected my elderly, sick mother, who contracted double pneumonia in April which resulted in three hospitalizations and two short term stays in nursing home rehabs. I could tell you about how difficult it was to get her the services she needed, and how complicated and confusing the system is to get approved for Long Term Care through Medicaid. And how much time my family lost from our jobs to care for her during the times she was discharged without aid services while she was unable to care for herself.

As a school board member, I could tell you that health insurance costs amount to 11% of our budget, and that health insurance costs have grown faster than the rate of inflation every year, which with our property tax cap, means that insurance costs are cutting into student programming. *(See attached, Increase in School District Health Care Costs Exceeds Tax Cap, by the NYSASBO.)*

But today I'm here to speak to you about the affects of the high cost of medical insurance on my business.

My name is Betty Warrick and I run a sales and distribution center in Niagara Falls, NY. We employ 18 hardworking people, 14 of them in our NY facilities. **My small company and my employees are being strangled by the high cost of health insurance. We pay exorbitant rates for inadequate coverage.**

I'm here today to testify to our representatives that the cost, both in real dollars and in time lost, of healthcare in NY has become unsustainable. It is time to uncouple health care from employment.

The current system designed to allow for employers to provide untaxed compensation at a time when insurance was cheap, and not something most people even bothered to have at that time, because health care was affordable, and a trip to the hospital wasn't likely to bankrupt a family, simply doesn't work for today's workforce.

Employers being the number one source of health insurance has created a system where someone works hard for decades, paying into the system with both their contributions and their work, only to be left uninsured when they become sick, are temporarily out of the workforce or choose to work for a company that cannot afford to provide these benefits. Even something as simple as a job change can leave a family uncovered for a time, or subject to paying thousands out of pocket to retain COBRA coverage while they wait for their new employer's coverage to be available to them.

Last year, we lost a long-time employee. He left behind a 61-year-old widow, herself showing signs of dementia and no longer in the workforce. One of the hardest things I've had to do was to send this

woman a COBRA notice and work with her family to figure out how to get her appropriate affordable health care without disrupting her current services.

According to the Small business association website, 36% of New Yorkers work at businesses with fewer than 100 employees. 19% at companies with fewer than 19, like mine. Most small businesses do not employ a full-time HR professional with years of experience in medical benefits to select and administer their health insurance plans. Most New Yorkers who receive health insurance from their employers, have health insurance that has been selected by someone like me, a sole proprietor, a general manager, a bookkeeper or office manager, whose job it is to do something else entirely, who have been tasked with having to make the choice for families on what kind of coverage they will have and how much it will cost them every year. These decisions are often made not on the quality of coverage, but on the cost to the company.

A great many small businesses decide that they can't afford to provide health insurance to their employees, adding to the more than 2 million New Yorkers who are currently without coverage. These small businesses are subject to high turnover, difficulty attracting quality employees and often don't carry coverage for the owners, leaving everyone exposed should an illness or accident occur.

At Yorkville, we elected to go with a plan with a \$13,100 deductible, and provide an HRA to help fund it, in order to keep premiums down. Even with that extremely high deductible, we pay \$1,006.11 per month per family. This doesn't include dental or comprehensive vision coverage. Last year my company spent a little over 12% of payroll on health care coverage. This number always changes based on demographics. It's impossible to plan for this expense. Someone gets married, your cost of that employee goes up. They have a family and your costs go up. A spouse previously covered at their own job loses that coverage, your expense goes up. When I want to hire, I go into it not knowing if this employee is going to cost me \$45,000 or \$65,000 a year. For a small business, how much health care costs us in a given year, can be the difference between showing a profit, or being in the red.

Yorkville stands to save nearly \$100,000 annually under the NY Health Act. That's 1 million in 10 years. 1 million that could be invested in our building, in hiring more employees, in advertising and other things that would grow the business versus this expense that just drains it. That's potential profit that would be taxed, adding to the state's coffers.

Passing the NY Health Act will be good for small businesses. It will fix the cost of insuring themselves and their employees to a set percentage of payroll. **Everyone in, no one out means that every employer in New York will pay something and everyone will have comprehensive coverage.**

It's time for the NY Health Act to bring comprehensive coverage to all New Yorkers. It's time to uncouple healthcare from employment and let business do what they're good at. I want to be able to get on with the job of running my company, and out of the business of my employee's healthcare.

Thank you again for having us here today.

Betty VanDenBosch-Warrick