

# HEALTH CARE FOR ALL NEW YORKERS

## New York Health Act: Single Payer Health Care for New York State

### Health care in New York is neither affordable nor accessible for individuals and families

- 1.7 million New Yorkers are currently uninsured, over a million of whom live in New York City
- The average cost to individuals and families has continued to rise to over \$17,500 on average, even with a high average deductible of \$2,200
- Health care costs have risen at a rate that outstrips income growth, roughly doubling as a percentage against income since 2008 for individuals that purchase insurance through their employers
- Burdensome costs and lack of access ultimately mean that many New Yorkers do not receive the care they need

### Health care spending in New York is rising for both public and private sector

- New York's health care spending overall and per capita are among the highest in the nation, outpacing both inflation and overall economic growth, and projected to surpass \$300 billion by 2019
- The cost of employer-sponsored health insurance has risen 92% over the past decade. High costs of health insurance translate to lower wages, reduced benefits, more restrictive health coverage eligibility and less affordability for employees to take up insurance
- Despite high spending for both the state and employers, New York does not demonstrate better quality of care

### The New York Health Act (NYHA) has been introduced in both the State Assembly and the Senate as a possible solution

- An already struggling health care system combined with great uncertainty around health care at the federal level means the time is ripe for health care reform in New York
- If the Affordable Care Act is repealed, 2.7 million more New Yorkers will lose health care, and it will leave a giant hole in the New York State budget
- Furthermore, proposed changes to Medicare and Medicaid at the federal level could be devastating for many already at-risk populations (older adults, low income, etc)
- The New York Health Act Bill passed the Assembly in 2015 and 2016, but did not pass in the Senate. This year, it has 30 co-sponsors in the Senate
- Both Attorney General Eric Schneiderman and state Comptroller Thomas DiNapoli have made statements of support of the plan

### The New York Health Act would implement a single payer health care system, which could lower costs and improve outcomes

- A single payer health care system would replace most private and public health care expenditures with a single payment system that would simplify billing for providers and eliminate most billing and insurance related expense
- It would replace a complex, fragmented, and risky system with one with a more stable, single risk pool and a simplified, centralized administration, essentially extending a Medicare system to all New Yorkers
- It would provide coverage regardless of employment status, immigration status, and financial status (making health care coverage a right rather than a privilege)
- By including more people in a single pool, it would actually reduce the risk assumed by the insurer
- The current funding system that disproportionately burdens working families and low income people who need health care would be replaced by broad-based funding based on ability to pay

## The New York Health Act would simplify administration and reduce costs through multiple measures

- Simplifying paperwork: eliminating the private insurance bureaucracy devoted to billing, coding, assessing and denying care, and reimbursing, and replacing it with a standardized and centralized system
- Preventative care: increasing access to preventive services and early intervention to avoid costly emergency room and hospitalization expenses
- Bulk purchasing: buying drugs and medical supplies at lower, negotiated prices
- Eliminating location specific care: hospitals and surgical centers can be located where they are needed, ambulances can go to the closest hospital, etc.
- Simplifying payments: utilizing annual budgets for health care facilities, rather than itemized reimbursements negotiated through insurance, creating a fee for service structure similar to Medicare

## The New York Health Act would create a more equitable health care system

- Under single payer, all New Yorkers would be covered from birth to death, regardless of employment status, immigration status, financial status or preexisting conditions. It would also improve women's access to health care and reproductive health resources
- The system would be funded by progressive taxation, and would eliminate co-pays and deductibles, which makes health care accessible to all New Yorkers regardless of financial status
- By providing insurance to those who have none, single payer health care could save thousands of lives (currently 45,000 people across the US die annually due to lack of insurance)
- Single payer would create a truly equitable and accessible health care system for all

## The New York Health Act would reduce State health care spending as well as employer and individual spending

- University of Massachusetts/Amherst Economics Department Chair Gerald Friedman conducted an analysis of the economic impact of the New York Health Act
- Even after expanding coverage to the uninsured, removing barriers to access, and correcting the underpayment of Medicaid services, NYHA would save \$44.7 billion in the first year alone, nearly \$2200 per person
- The NYHA would save over \$70 billion in 2019, 25% of that year's projected total health care spending, and savings would increase over time
- It would be financed with assessments collected by the State based on ability to pay. Payroll assessments would be graduated according to income, and there would be a progressively graduated assessment on non-payroll taxable personal income
  - o Lower-income NYers will be exempt, middle-income workers will pay between 4% and 8% of payroll on premium, more affluent as much as 13%
- While the largest savings would go to working households earning less than \$75,000, over 98% of New York households would spend less on health care under the Act than they do now
- The plan would create over 200,000 jobs, which would surpass the job loss from the shutdown of the private industry
- NYHA would cut costs for most employers, as their contributions to health insurance will go down. The average payroll premium under NYHA would be 8.1%, which is significantly less than it is now

For more information on NYHA, or how to support, please contact Carlyn Cowen, Policy Analyst, FPWA

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