



action
FOR HEALTH



March 1, 2023

Submitted electronically to financechair@nyenate.gov and wamchair@nyassembly.gov

The Hon. Liz Krueger
Chair
Senate Finance Committee
172 State Street, Capitol Building
Room 416 CAP
Albany, NY 12247

The Hon. Helene E. Weinstein
Chair
Assembly Ways and Means Committee
Legislative Office Building
Room 923
Albany, NY 12248

The Hon. Jessica Ramos
Chair
Senate Labor Committee
Legislative Office Building
Room 946
Albany, NY 12247

The Hon. Latoya Joyner
Chair
Assembly Labor Committee
Legislative Office Building
Room 524
Albany, NY 11248

Re: Testimony: Joint Legislative Labor Hearing on 2023 Executive Budget Proposal

Dear Chairs Krueger, Weinstein, Ramos, and Joyner:

Thank you for the opportunity to submit this written testimony for today's Labor and Workforce Development Hearing on the Fiscal Year 2023-2024 Executive Budget. I am founder and president of Action for Health¹ and its affiliated State Care Network (SCN).²

As many Senate and Assembly Members now know, Governor Hochul's relationship with New York's labor unions has become increasingly tense. Rebecca Lewis, senior state politics reporter at City & State New York, wrote this week, "several...proposals in her executive budget...left some parts of the labor movement feeling jilted." Lewis further highlighted "the tenuous relationship between Hochul and unions right now" and that "labor leaders say they have ultimately been left more confused than anything else."³

¹ Action for Health, www.action4health.org.

² State Care Network, <https://www.action4health.org/state-care-network>. A special project of Action for Health, SCN works to address healthcare policy issues by advocating for patients at the state level.

³ Rebecca Lewis, "Failed LaSalle nomination leaves Hochul's relationship with labor in a state of confusion", City & State New York, February 27, 2023, accessed: <https://www.cityandstateny.com/politics/2023/02/failed-lasalle-nomination-leaves-hochuls-relationship-labor-state-confusion/383332>.



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This deterioration of the governor's labor relations underscores a significant concern we have related to union enrollees in the Empire Plan. Our organization has become aware of efforts to reduce the healthcare benefits of state workers, many of whom are union members.

First, we believe the members of the Civil Service Employees Association (CSEA) were tricked into voting for their new, five-year labor agreement.⁴ While promised "a one-time lump sum bonus of \$3,000," little did these hard-working, rank-and-file members know that their out-of-network (OON) benefits were being eviscerated at the same time. Under this agreement, CSEA members enrolled in the state's Empire Plan will incur much higher out-of-pocket costs and lose access to physicians that they and their families have relied on for decades. Once members uncover this detail, they are understandably distraught. As a news article noted last fall, "Patients recently informed of the payment dispute by their doctors were horrified about losing access to specialty and life-saving care."⁵ With your leadership, we hope that this agreement can be amended to restore these OON benefits before it goes into effect on July 1, 2023.

Second, upcoming contract negotiations with other unions, such as United University Professions (UUP) and the Public Employees Federation (PEF), present an important opportunity for you and your Senate and Assembly colleagues to stand up for your union constituents by rejecting the same kind of OON benefit reductions. For example, in a *Negotiations Bulletin* from UUP dated January 25, 2023, the union wrote:

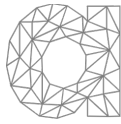
"The State...has proposed that our contractually established OON reimbursement be changed from the current Reasonable and Customary rate to a rate no greater than 275% of Medicare's rate... This proposal has downsides for our members who use OON care..."

Make no mistake, UnitedHealthcare – the nation's fifth largest corporation⁶ and administrator of the Empire Plan – would love nothing more than to keep driving down reimbursement rates for New York's physicians and peg them to artificial Medicare

⁴ Office of the Governor, "Governor Hochul Announces Ratification of 5-year Labor Agreement with Civil Service Employees Association", August 3, 2022, accessed: <https://www.governor.ny.gov/news/governor-hochul-announces-ratification-5-year-labor-agreement-civil-service-employees>.

⁵ Carl Campanile, "Hochul administration cut access to life-saving medical care for 1.2M NY workers, retirees: lawsuit", New York Post, October 30, 2022, accessed: <https://nypost.com/2022/10/30/hochul-administration-cut-access-to-life-saving-medical-care-for-1-2m-ny-workers-retirees-lawsuit>.

⁶ Ranked by annual revenue. Fortune 500, accessed: <https://fortune.com/ranking/fortune500>.



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rates. This not only pads their already record profits, but also jeopardizes union members' lives.⁷

After years of fighting hard for their excellent healthcare benefits and sacrificing so much during the COVID-19 pandemic, these union members deserve better from Albany. As you deliberate the budget and consider the future of the state's healthcare system, it is hoped that New Yorkers' health benefits are not further eroded.

Specifically, we urge you to support your fellow governmental employees by making your voice heard with the Department of Civil Service (DCS) and Governor Hochul to help stop these efforts to strip away OON benefits in future labor agreement negotiations.

Again, we appreciate the opportunity to provide this testimony. We look forward to the Senate and Assembly's continued work not only on approving the state budget, but also championing union members' healthcare benefits. Should you require additional supporting information relative to, or have any questions concerning, this testimony, please contact me at (202) 823-2333 or at contact@action4health.org.

With best wishes,

Sincerely,

Christopher G. Sheeron
President
Action for Health
State Care Network

Cc: The Hon. Carl E. Heastie
Speaker
State Assembly

⁷ Jack Hobbs, "Doctor reveals insurance companies want you to 'die as quickly as possible'", New York Post, February 19, 2023, accessed: <https://nypost.com/2023/02/19/doctor-insurance-companies-want-you-to-die-as-quickly-as-possible>.