



*Representing the advocacy interests
of hospitals and health systems on Long Island and the Hudson Valley*

**Suburban Hospital Alliance of New York State, LLC.
Statement and Testimony
Public Hearing: The New York Health Act, May 28, 2019, Albany, New York
Senate and Assembly Standing Committees on Health**

Assemblyman Richard Gottfried, Senator Gustavo Rivera and distinguished members of the Senate and Assembly Standing Committees on Health. Thank you for the opportunity to offer comments about the New York Health Act. As the president and CEO of the Suburban Hospital Alliance of New York State, I speak on behalf of nearly 50 not-for-profit and public hospitals located in the seven counties throughout the Hudson Valley and the two counties that comprise Long Island – Nassau and Suffolk. These nine counties represent nearly 25 percent of the state's population.

Our hospitals oppose the New York Health Act for these reasons:

- It assumes unreasonable concessions and cooperation by the federal government, which are also unrealistic in our current political environment.
- It replaces Medicare, Medicaid, CHIP and employer-provided insurance and dismantles the commercial insurance industry. New York's seniors who have come to rely upon Medicare as a steady and readily available source of insurance will not easily give up their Medicare cards for an unknown and untried healthcare system. This issue alone should give legislators pause for concern, as New York's aging population is ever growing.
- It will impose deeper reimbursement reductions on hospitals. With the loss of the commercial insurance industry, hospitals are left with only a public payer system that historically pays less than the cost to provide that care. Currently, Medicaid pays only 74 cents on the dollar and Medicare pays about 87 cents on the dollar. A single-payer system likely would benchmark reimbursement for all services at these inadequate levels and seek to restrain growth over time. The fallout is obvious – elimination of services, staff reductions, no money to invest in community benefit projects related to social determinants of health, no upgrades to already inadequate physical infrastructure. Many of New York's hospital buildings are the oldest in the nation. In fact, for the Long Island region alone, it is estimated that 223,642 healthcare jobs are at risk under such a system and the projected lost hospital revenue is in excess of \$265 million.
- It calls for a significant increase in taxes to employers and employees. The hospital industry, which happens to be a leading sector of employment in this state, would be hit with massive taxes as employers. Currently, the cost for the New York Health Act is pegged at \$159 billion.
- The state is facing a multibillion dollar state budget shortfall next year and the prospect of \$7 billion in Disproportionate Share Hospital cuts. The state is going to be struggling to maintain the health insurance commitments it's already made.
- It eliminates flexibility in insurance plan design, which would impact affordability and access to some services for patients. More appropriately, the goal of the hospital industry is to increase access to healthcare services for all and finally achieve universal healthcare insurance coverage. New York State worked hard during the past decade to expand insurance coverage and healthcare access for New Yorkers of all income levels. The Children's Health Insurance Program (CHIP) ensures that just about every child in New York State has good insurance coverage and a more recent program, the Essential Health Plan, ensures that low-income working adults, who are not eligible for Medicaid, can purchase very affordable and comprehensive health insurance. New York's uninsured rate has dropped from 10 percent in 2013, when the state's health insurance marketplace opened, to five percent at the close of the 2017 enrollment period in December. That is a remarkable 50 percent reduction. We are getting closer to universal healthcare coverage, with only five percent uninsured. New York State is demonstrating that it is an achievable goal, even in the absence of a single-payer model.