

Testimony of

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Chairman Rivera, Chairman Gottfried and members of the committees, thank you for the opportunity to testify today. I am Tom O'Connor, Vice President, Government Relations for the Capital Region Chamber.

The Capital Region Chamber represents over 2,400 businesses and organizations from throughout the region that employ more than 150,000 area residents. Our Chamber's membership is diverse. We represent for-profits and not-for-profits; large corporations and small family-owned businesses.

The Chamber supports policies that promote affordable access to health insurance and a robust health care system without imposing new government mandates and taxes. While we respect the good intentions of the bill sponsors, we believe that the State Legislature should focus its attention on enrolling the five percent of New Yorkers that are currently uninsured. It should not enact legislation that would completely upend our current health care system and do great harm to our state's economy.

Proponents of a government-run single payer system claim that everyone will be covered, everything will be covered, and no one will pay for health insurance again. These claims are misleading. Single payer health care if enacted will result in New York State taxpayers and businesses being overburdened with exorbitant tax increases. Single payer is simply not a sustainable method in which to deliver quality and cost-effective health care.

The RAND Corp. has estimated new tax increases needed to fund a government-run system would be \$139 billion in 2022 and would grow to \$210 billion by 2031. These new income and payroll taxes would leave less money in the pockets of New Yorkers. Government-run health care would also result in significant job losses across the state, hurting New York's economy and communities.

Advocates suggest the New York Health Act would reduce costs by eliminating administrative expenses, negotiating lower prices for prescription drugs, and

reducing the costs doctors and hospitals are paid for care. In reality, it could not eliminate all administrative costs. The state would still need to set up systems to verify eligibility, administer claims, and protect against fraud. Moreover, there's no guarantee doctors, hospitals and other providers in New York would agree to lower reimbursements. And the state cannot set payment rates to pharmaceutical manufacturers, which would fail to address one of the major factors driving health care costs - increases in prescription drug prices.

The state would also need waivers from the federal government to both revise the state's current Medicaid waiver and include Medicare beneficiaries in the new system. The head of the federal Centers for Medicare and Medicaid Services has already stated the agency would deny waiver applications from states seeking to implement their own single payer system.

Single payer was tried in Vermont and abandoned after 1 year because of its outrageous increase in cost. California considered implementing single payer but upon researching the unsustainable costs abandoned the idea.

The Chamber does not believe that the state government can run a health care system more efficiently and more cost-effectively than private insurance companies who currently compete to keep costs lower.

Importantly, more than 95 percent of New Yorkers are currently insured – an accomplishment for which New York should be proud. However, under the New York Health Act, individuals who are satisfied with their current coverage would lose that coverage. Approximately 56 percent of New Yorkers that have health insurance receive such coverage through their employer or a union. All of these New Yorkers would lose the coverage they have under a government-run system, resulting in significant disruptions in care. They would not be able to choose the type of coverage that best meets their individual needs and could face longer waiting periods for treatment and would have no guarantee that they could see the doctor or specialist of their choice.

We believe that the New York Health Act if enacted would do great harm to New Yorkers and our economy. Such legislation should be rejected in favor of policies that address the needs of those that are currently uninsured.

The Capital Region Chamber has long supported affordable and comprehensive access to health insurance and a robust health care system without imposing new mandates and taxes. A government run, single payer health care system will not accomplish these goals.

Thank you for the opportunity to provide you with the Capital Region Chamber's perspective on this important policy issue.