

**Testimony in support of the New York Health Act
Adelia Harrison, NY State of Health plan holder
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I live in Brooklyn and am currently trying to make a living in the gig economy. My principal employment is a part time job that does not provide health insurance. After a layoff I was extremely grateful for the period of time when I qualified for Medicaid and had no out-of-pocket costs. But in 2018, for the first time, I had to buy my own health insurance plan. I have found having a plan from the New York State of Health Marketplace unaffordable just to hold, let alone use.

I chose a silver plan because I have an orthopedic issue I wanted to address before it got much worse, and I thought that *maybe* my out-of-pocket costs would be lower on that plan. I spent a great deal of time researching and calculating and fretting over what level to choose, all of which was ultimately futile, because even if you know what services you will need, *it is impossible to know what those services will cost*. As for all the different plan providers, we're supposedly "consumers" in a "marketplace"--with all the connotations of market competition and consumer choice that word implies-- but really we have no choice at all. All these plans are pretty much the same unaffordable plan.

I am not the only New Yorker living paycheck to paycheck trying to make ends meet with rent, food and transportation, perhaps student loans, maybe wanting to start saving for retirement, and now having to pay for health insurance premiums on top of that. I got what is officially called an Advance Premium Tax Credit, but I ignorantly believed was a subsidy. It covered a little over half the premium costs, but I still found it hard to afford. I took extra temp jobs to make ends meet, but earning just a few extra thousand dollars could mean my "subsidy" will be less the next year, and premiums usually go up, too. As it was, because of those extra

jobs, in 2019 I lost the Cost Sharing Reduction that allowed me to have a lower deductible.

Whatever I try to do to make this affordable, I can't catch up.

I had often looked at those words "Advance Premium Tax Credit" with a niggling feeling that I didn't really understand what that meant. To me it was a subsidy. But come tax time, I learned the hard way. According to the IRS my unaffordable health care premiums were over-subsidized last year. You could have fooled me! I had to pay \$700 in taxes solely because of the Advance Premium Tax Credit. And this may happen to me again next year because I have to take the full premium tax credit or I can't afford these premiums (which are 25% higher for me this year). Opponents of the New York Health Act complain that our taxes will be higher. *I am paying high premiums AND high taxes because of those premiums. I'd much rather just pay the slightly higher taxes to get single-payer health care with no out of pocket costs. It's worth it!*

So those are the costs of just having this plan. What about trying to use it? In 2018 my deductible was \$1,300 and went up to \$1,700 when I lost the Cost Sharing Reduction. The deductible applies to pretty much everything except annual wellness. I knew I needed to see an orthopedist, get imaging done, see the orthopedist again for interpretation, and then physical therapy. I wanted to try to budget and plan for what this would cost me. I would call a provider to ask about prices, they would tell me that's up to my insurance company. I would call the insurance company and they would tell me that's up to my provider. I would go several rounds being hit back and forth like a ping-pong ball and never getting a real answer. Policy makers, backed by insurance companies, talk a lot about how consumers should have skin in the game. They say we should share the cost burden so they will have the incentive to shop around and spend less on healthcare. How do we shop around for lower prices when nobody tells us what anything will cost? We all know the insurance companies secretly negotiate prices with each

provider. Cost-sharing is not about lowering overall costs, it's about maximizing profit for the insurance companies. Patients lose, and costs continue to rise.

Since I didn't know if I could afford it, I just put off getting care. I put it off for another year. Fortunately, this condition didn't affect my mobility. Fortunately, I don't have a life-threatening condition. But what about those people who do and wait until they're in serious trouble to get treatment? For some, that will be too late. And for sure, the costs will be much higher all around than they would have been for early, preventative care.

In 2019 I got the Silver Plan again because I still wanted to address this issue. I thought that maybe I could take some money from my savings to open a Health Savings Account and pay costs out of that. I have never had a full-time employer who actually offered an HSA, but I researched opening one on my own. The contributions I made could grow tax free and what I didn't use I could save for retirement. To open an HSA the IRS requires that your health insurance plan has a high-deductible over \$1,300. No problem! Also the IRS requires that maximum out-of-pocket costs for your plan do not exceed \$6,750. Oops! In 2019, the majority of New York State of Health plans have maximum out-of-pocket costs over \$7,000. Even the IRS thinks the New York plans are too expensive! Once again the structure of this system makes it impossible for consumers to find ways to manage the costs and stay ahead.

Where do you expect New Yorkers living paycheck to paycheck to find thousands of dollars for premiums, high deductibles, co-pays and co-insurance, and taxes on top of it all? Most of us do not have this kind of money lying around every year! If I have not found a full time job by next year, I will probably take the Bronze plan--which has low premiums but a \$4,000 deductible--and pray that something won't happen that will cost me up to that deductible, let alone the \$7,500 out of pocket maximum, because I can't afford it. The marketplace plans are UNAFFORDABLE. Providing unaffordable health care to people, is like providing none at all.

Furthermore, I thought the days of having to find employment based on health insurance were over. I was wrong. And this is very bad news for artists, entrepreneurs, freelancers, immigrants, gig workers, and all sorts of people who invigorate our economy and our public life outside of traditional employment. I'd like to tell Governor Cuomo that we can't wait for the Federal Government to fix health care--they've been talking about it for a century! New York should pass the New York Health Act and set a paradigm for the entire country on how to provide affordable, accessible, inclusive, reliable, comprehensive health care to everyone.