

Good morning Chair Rivera, Chair Gottfried and distinguished Members of the Senate and Assembly Health Committees.

My name is Michael King. I am President of Century Benefits Group an employee benefit firm based here in Rochester. Our industry of licensed employee benefit professionals work tirelessly to provide health care coverage to 65% of the residents of New York State. We (!) support universal coverage by the integration of public plans with market-based solutions to provide affordable and accessible health care for all. I respectfully submit this testimony on behalf of Century Benefits Group.

According to the American Community Survey, 98.75% of New Yorkers are either enrolled in health insurance or are eligible to enroll at substantially reduced cost. In 2017, 5.69% of New Yorkers were without health insurance – some 1,100,000 people. Of those, nearly 858,000 of them were eligible for either partially or fully subsidized health coverage – but did not enroll.

According to the World Health Organization, Universal Health Care means that everyone receives health care without suffering financial hardship; it does not mean free coverage for all possible health interventions regardless of the cost, as no country can provide all services free of charge on a sustainable basis - even though they may operate at a deficit. Even citizens of our Neighbor Canada have to buy prescription drug coverage.

While a nation may operate at a deficit, New York State may not; it is constitutionally required to maintain a balanced budget. Making the expense of a state-based single payer health plan part of a state's balanced budget would make our health care system – and our state's operation - unstable; it would make our residents and their access to affordable health care vulnerable to massive tax increases and rationing of care when state tax revenues plunge or costs increase. An example is when revenues fell during the Wall street crisis in NYS a number of years ago. It's worth noting that the only state in the United States that doesn't require a balanced budget – Vermont – They chose not to enact a single-payer health plan when then Governor Shumlin, who had supported the plan realized that it would pose what he described as a risk of economic shock to his state.

State tax revenues generated by the top 1% of earners in New York are considerably more volatile than that of the majority of New York taxpayers. According to the NYS Department of

Taxation and Finance, during the last recession (from 2007-2009) the incomes of the top 1% of earners in NYS was reduced by almost half, while incomes for everyone else declined by only 3%. If only ½ of 1 % (45,000) of the top earning residents of NYS were to either leave the state or experience a considerable reduction in taxable income, the non-payroll tax rates needed to fund the New York Health Act projected in the Rand Report would need to rise almost 380% - and payroll tax rates would need to increase considerably as well.

There are a number of significant steps that New York State may take to improve access to and affordability of health care for all its residents instead of enacting the New York Health Act, including:

- Working to repeal the 40% excise tax (“Cadillac tax”) on health plans under the federal Affordable Care Act (ACA);
- Create a statewide comprehensive system of data-driven, pricing transparency tools to identify and publish what healthcare services really cost and use the data to encourage consumers and insurers to shop for the best market value in the provision of healthcare services;
- Reduce healthcare provider administrative claims expenses by establishing a universal claims submission system via the New York Health Connector as the claims clearinghouse;
- Identify and reduce systemic waste and payments for fraudulent claims;
- Develop better community outreach programs to the 858,000 uninsured New Yorkers who are currently eligible for Medicaid or subsidized health plans who haven't yet enrolled; including encouraging insurers to compensate licensed health insurance producers for enrolling uninsured New Yorkers in subsidized health plans.

Our industry is currently working with the Chairs of the Senate and Assembly Insurance Committees on a Health Care Consumer Transparency Act that would incorporate these alternatives to reduce the costs of health care and health insurance premiums accordingly.

Thank you for this opportunity to present the views of Century Benefits Group and our industry. For all of the reasons stated herein, Century Benefits Group is **STRONGLY OPPOSED** to Senate 3577-A / Assembly 5248-A.

I stand ready to answer any questions that you or the Committee members may have at this time and welcome the opportunity to provide additional input in the future on behalf of Century Benefits Group and our industry in NYS.