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**The Costs and Savings of the New York Health Act
and Its Impact on Rural Hudson Valley**

My name is Leonard Rodberg. I am Professor Emeritus of Urban Studies at Queens College, City University of New York. I am also Research Director of the New York Metro Chapter of Physicians for a National Health Program and a member of the Board of Directors of the Campaign for New York Health, the coalition that advocates for the New York Health Act.

I am here today to discuss the costs and savings of the Act and its impact on the rural portions of Hudson Valley.

Over the past four years, two substantial studies of the Act have been conducted. In 2015, Prof. Gerald Friedman of UMass/Amherst released his economic analysis of the New York Health Act. Prof. Friedman found that there will be very significant savings, even as every New Yorker is covered and all financial barriers to receiving care are removed. In 2018, the highly respected RAND Corporation conducted an in-depth analysis of the Act, sponsored by the New York State Health Foundation. They found that this legislation will cover everyone, improve benefits without copays or deductibles, cost no more than we are now spending, provide savings for most New Yorkers, and control costs going forward into the future.

On behalf of the Campaign, I undertook an evaluation of the RAND report. My analysis of its findings is available online at

[www.infoshare.org/main/Summary and Evaluation of the RAND Report - LRodberg.pdf](http://www.infoshare.org/main/Summary_and_Evaluation_of_the_RAND_Report_-_LRodberg.pdf)

I found that there will be savings from greatly reduced insurance plan overhead, from savings in physician offices and hospital billing departments, and from negotiating lower drug prices for total savings of \$55 billion each year. There are additional costs of \$17 billion, as more people who don't face copays and deductibles get the care they previously couldn't afford. Overall, there are net savings of \$38 billion per year, 12% below projections for 2022.

These savings enable us to include a number of improvements in our health care system, including raising physician payment rates to commercial levels, covering Part B premiums for

Medicare recipients, paying the local county share of Medicaid, and finally, incorporating universal long-term care into the New York Health Act.

The net result is that, with all these savings and improvements, we will save \$11 billion, or 3.6% below what 2022 projections. New taxes will be required, replacing the premiums, copays, and deductibles we now pay. But because these new taxes will be progressively graduated, the vast majority of New Yorkers will spend less than they spend now.

With my colleague, Dr. Henry Moss, we have investigated the impact of the New York Health Act on the rural areas of the state. He can't be here today, but I want to report a summary of his findings: Over 1.3 million New Yorkers live in rural areas and, despite recent improvement, their health status and life expectancy lag behind those of the rest of the state. These areas have the highest rates of avoidable hospitalizations and ER visits, reflecting inadequate access to primary and preventive care. The New York Health Act will remove financial barriers to health care and reduce provider and other resource shortages.

Every resident will be insured. They will not put off needed care because they can't afford the deductibles and copays. Coverage will be comprehensive, including dental, hearing, and optical benefits. Neglected dental care is particularly prevalent across rural New York, and New York Health will provide universal coverage for long-term personal care services and supports, with no cost sharing: Family caregivers often forgo jobs and income or reduce work hours to provide this care. By ensuring that all residents of rural New York have comprehensive coverage, New York Health assures that physicians and other providers will be paid in full for their services and can afford to live and work in these beautiful areas of the state. New York Health will also enable the planning of investments in health care facilities, so that facilities that are currently underfunded can get the equipment they need. Finally, New York Health will create a spending and investment stimulus that will benefit depressed rural communities.

I am attaching a longer report we have prepared entitled "How the New York Health Act will Improve the Health of Rural New Yorkers."

Thank you.