

Oral Testimony to: **Joint Senate and Assembly Public Hearing**
On: **The New York Health Act**

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Dear Senators and Assembly Members,

I am Cor Drost, President and CEO of Transonic Systems Inc., a company I founded in 1983 as an offspring of Cornell University. With me is our Chief Financial Officer, Ms. Emig-Rosekrans.

We strongly urge you to vote the New York Health Act into law: it is very good for New York businesses and institutions, it reduces school and local government taxes, and it will make your voting constituents very happy.

In our Medical Device sphere, we invented new diagnostic technologies that are now gold standard world-wide. From our Upstate New York location, we built a world-class company with worldwide markets. Because of the gold-standard recognition of our technologies, we now see tough competition from Western European companies. These competitors are in countries with single-payer healthcare, an approach that runs at about half the cost of the USA for-profit system. Thus, our competitors can undercut our prices, and re-invest a larger part of their profits in R&D and New Product Development. This forces us to evaluate the question: How can Transonic remain a competitive world leader, and this is why I am here today.

Transonic has Divisions in single-payer healthcare countries: Canada, The Netherlands, Taiwan and Japan. So we know quite well how much their healthcare is liked by their residents, and how costs-beneficial it is to our competitors. One of our hard realities is, that Transonic can level the playing field with our competitors by moving to Ontario where we already have a Division. We hope to convince you to install single-payer universal healthcare in our State. This will level the playing field for all New York State businesses, and it is very doable.

How would this be funded? Will it cost more? And what are the benefits to New York?

The per capita cost for medical insurance in Canada, Western Europe and Japan is 50% or less than the USA per capita cost. These countries provide universal healthcare coverage, so for an apples to apples comparison, NY State will need to add the uninsured residents. This places the total cost for a New York State single-payer universal healthcare program at approximately 60% of what all our collective institutions in New York now pay.

This is not a Democratic or Republican issue. Single-payer healthcare is simply the most economical way to run a statewide or nationwide healthcare system. All cost studies on the subject agree that single-payer healthcare costs less than our current system. This was pre-Obamacare, and Obamacare has not changed this bigger picture.

On the funding side, I realize that you already have a detailed funding plan in front of you. I present you with two extremes. These two and anything in-between would carry our support:

1. If you make the legislative decision that single-payer healthcare must be paid fully through payroll taxes, our company and other New York State institutions will embrace a healthcare employer contribution to our employees' pay stub: it will save us money. The choice between paying 100% to an insurance provider or only 60% to a payroll plan for our employees' healthcare is an easy business decision.
2. A plan to fund this in the Medicare fashion was priced out by Dr. Gerald Friedman, Economics Professor at the University of Massachusetts. That plan calls for an added payroll tax of 8.2%. For Transonic and many companies like us, healthcare is around 30% of our payroll cost. That plan provides even greater savings to companies like Transonic.

How would these two extremes work out in actual budget numbers for Transonic?

1. Our annual sales are around \$22 Million. 10% of this, \$2.2 Million, goes directly to employee health insurance. If you would decide on a single-payer plan that is fully paid through payroll taxes, we'd be paying some 60% of what we pay now, or \$1.32 Million. We would gain \$880,000 per year to grow our business.
2. Our payroll is \$7 Million per year. If you would decide on a Friedman-style single-payer plan, we would contribute 8.2% of \$7 Million: \$574,000. We would gain some \$1.6 million per year to grow our business. This would make New York State once again the most ideal business location for Transonic.

The same level of savings applies to local schools and governments: their healthcare cost would drop to anywhere between 60% of their current medical insurance, and 8.2% of gross payroll. This will save taxpayers' money and free up more funds to benefit the greater good.

Single-payer healthcare will also improve our State's competitive position to attract new businesses. A 40% or higher savings in employee healthcare will be a big plus to out-of-state companies.

I urge you to visit the website: www.fixithehealthcare.com. Produced by business leaders, and with interviews of health policy experts, economists and doctors, this site presents the business case for single-payer healthcare very well. The site includes an in-depth comparison between the USA and our neighbor Canada, and it dispels all the myths and fear-mongering that you will hear from others at this Public Hearing.

The economies of single-payer healthcare provides you with a unique opportunity to make New York State once more the place to be for businesses, and to reduce school and local government taxes.

Your voters, the beneficiaries of far more efficient medical services without co-pays, will be thankful as well. A Canada politician by the name of Tom Douglas was voted in 2004 as "The Greatest Canadian" for his work to set up Canada's Medicare-style single-payer healthcare system...

Thank you for listening. We will be happy to answer questions that you may have.