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**Testimony on the *New York Health Act*
S. 3577 / A. 5248**

Presented Before:
New York State Senate Health Committee
Chair, Senator Gustavo Rivera

&

New York State Assembly Health Committee
Chair, Assemblyman Richard Gottfried

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Testimony Presented by:

Fran Turner, Director
Legislative & Political Action

Chairman Rivera, Chairman Gottfried, and members of the Senate and Assembly Standing Committees on Health, thank you for allowing me to testify at today's hearing regarding the proposed *New York Health Act (A.5248/S.3577)*.

The Civil Service Employees Association (CSEA) represents 300,000 members and retirees throughout New York State. Nearly every single active member of CSEA has a provision in their collective bargaining agreement that provides them with employer-sponsored health insurance. In addition, many CSEA members continue to receive health insurance from their previous employer after they retire. CSEA members have a significant stake in any change to the current health insurance system.

I want to be extremely clear: CSEA supports universal health insurance. We believe that every person in our country should have access to quality health care services without fear of becoming bankrupt or being denied access to vital, critical, and lifesaving health care services. CSEA has actively lobbied in support of the Affordable Care Act, state and federal expansions of Medicaid, Medicare Part D, and numerous other federal and state laws and programs that have increased and expanded access to health care services and insurance for millions of Americans.

In addition to our past support of these programs, CSEA and our international union, the American Federation of State, County, and Municipal Employees (AFSCME), support Congressional enactment of single-payer health insurance. While we support single-payer health insurance nationally, we cannot support *The New York Health Act* for several reasons. First, it lacks crucial information, specifically a clear total of how much this program will cost. Secondly, this proposal negates all health insurance provisions in public and private sector collective bargaining agreements currently in place. Lastly, this legislation oversimplifies the issue of substituting existing health insurance plans for public sector retirees.

Cost

The cost of the program, and specifically the cost to CSEA members, is of the utmost concern to us. Various estimates have determined that the state will have to raise anywhere from \$92 billion to \$226 billion in additional revenue to implement this plan. For context, when Vermont attempted, but failed, to implement single-payer health insurance it would have cost \$4.9 billion per year for a population that is nearly 32 times smaller than New York's. Based on the

example from Vermont and various public estimates, New York would have to nearly double the size of the state budget to pay for this program.

To fund single-payer health insurance, the legislation proposes a new payroll tax and a non-payroll tax on employers and employees. The legislation would require employees to pay 20% of the proposed payroll tax.

Twenty-percent of what?

The complete lack of detail makes it impossible for most people to know if they will be better off financially when compared to their current plan.

CSEA has over 1,100 collective bargaining agreements across the state, each with their own health insurance provisions. Each contract contains a different premium, co-pay, and deductible arrangement. Most CSEA contracts were arrived at after a process in which the workers agreed to smaller pay increases to preserve lower premiums, co-pays, and deductibles. This legislation disregards all concessions that public employees have made over the last fifty years and forces a one-size-fits-all cost-sharing requirement on to them in place of their current negotiated agreements. Why should workers who have minimal health insurance cost-sharing suddenly have pay 20% of the cost? Will the financial concessions they made to keep their health insurance costs low be reimbursed? How can we keep employees financially whole? This legislation answers none of these questions.

Retiree Health Insurance

In addition to active employees, many retired CSEA members continue to be entitled to employer sponsored health insurance during their retirement due to provisions in their collective bargaining agreements. This legislation would nullify these agreements and create a two-tiered system: Retirees who remain in New York State would be required to enroll in the public plan; Retirees who do not reside in the state will be allowed to keep their current plan.

While this legislation attempts to allow out-of-state retirees to keep their insurance plan, the reality is that they will not actually be able to keep it. It is not uncommon for CSEA collective bargaining agreements to name a specific health insurance provider and plan for retirees and active employees. If this legislation is enacted, private insurance plans would be effectively eliminated

in the state. This means that although a retiree that resides out-of-state may be legally entitled to continue with their plan, there will be no health insurer to provide them the insurance since an insurer will not stay in operation for a small group of retirees. This legislation offers no solution to this problem.

Solution

We believe that the state can and should do more to ensure all New Yorkers can receive insurance without moving to a single-payer system that imposes new taxes and disrupts insurance plans for the many New Yorkers who are happy with their current coverage.

Estimates show that there are approximately 1.3 million uninsured New Yorkers. Of this number, about 1/3 fall into each of the following categories: 1) Those eligible for Medicaid but are not enrolled; 2) Individuals who do not receive employer sponsored health insurance or Medicaid and are eligible to purchase a plan through the New York State of Health; and 3) Undocumented immigrants

Based on these numbers, it is clear to us that we do not need to upend our entire health insurance system and decimate collective bargaining agreements to offer insurance to these individuals.

To lower the number of uninsured New Yorkers, the state could do several things. First, the state could invest resources to enroll Medicaid-eligible residents. State and local officials could develop a media strategy to advertise the Medicaid program via television, radio, and digital platforms. The state should also invest in public and private programs that perform outreach to communities that are likely to contain these individuals. This effort alone could reduce the uninsured rate significantly.

Secondly, the Executive and state lawmakers could create a system of new tax credits, in addition to any federal credits offered, to offset the costs of purchasing health insurance through the New York State of Health.

We believe that the state can find solutions to insure all New Yorkers without drastically altering our current health care delivery and financing system. We do not need to throw collective bargaining out the window to do it; We do not need to take away health insurance plans from

retirees to do it; We do not need to lose hundreds of thousands of jobs in every corner of the state to do it. We can achieve this goal in a much more simple and non-invasive way.

Thank you for allowing us to testify today.