

NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)

BILL NUMBER: A4738A

SPONSOR: Gottfried (MS)

TITLE OF BILL: An act to amend the public health law and the state finance law, in relation to enacting the "New York health act" and to establishing New York Health

PURPOSE OR GENERAL IDEA OF BILL:

This bill would create a universal single payer health plan -New York Health - to provide comprehensive health coverage for all New Yorkers.

SUMMARY OF SPECIFIC PROVISIONS:

Every New York resident would be eligible to enroll, regardless of age, income, wealth, employment, or other status.

There would be no network restrictions, deductibles, or co-pays. Coverage would be publicly funded. The benefits will include comprehensive outpatient and inpatient medical care, primary and preventive care, prescription drugs, laboratory tests, rehabilitative, dental, vision, hearing, etc. - all benefits required by current state insurance law or provided by the state public employee package, Family Health Plus, Child Health Plus, Medicare, or Medicaid, and others added by the plan.

Everyone would choose a primary care practitioner or other provider to provide care coordination - helping to get the care and follow-up the patient needs, referrals, and navigating the system. But there would be no "gatekeeper" obstacles to care.

As with most health coverage, New York Health covers health care services when a member is out of state, either because health care is needed while the member is traveling or because there is a clinical reason for going to a particular out-of-state provider.

A broadly representative Board of Trustees will advise the Commissioner of Health. Long-term care coverage is not included at the start, but the bill requires that the Board develop a plan for it within two years of passage. The Board shall also develop proposals relating to retiree health benefits and coverage of health care services covered under the workers' compensation law.

In addition to the Board, there will be six regional advisory councils to represent the diverse needs and concerns of the region. The councils shall include but not be limited to representatives of health care consumers, providers, municipal and county government, and organized labor. The councils shall advise the Board, Commissioner, Governor, and Legislature on matters relating to the NY Health program and shall adopt

community health improvement plans to promote health care access and quality in their regions.

Health care providers, including those providing care coordination, would be paid in full by New York Health, with no co-pays or other charges to patients. The plan would develop alternative payment methods to replace old-style fee-for-service (which rewards volume but not quality), and would negotiate rates with health care provider organizations. (Fee-for-service would continue until new methods are phased in.) The bill would authorize health care providers to form organizations to collectively negotiate with New York Health. Health care would no longer be paid for by insurance companies charging a regressive "tax" insurance premiums, deductibles and co-pays imposed regardless of ability to pay. Instead, New York Health would be paid for based on ability to pay, through a progressively-graduated payroll-based tax (paid at least 80% by employers and not more than 20% by employees, and 100% by self-employed) and a progressively-graduated tax based on other taxable income, such as capital gains, interest and dividends. A specific revenue plan, following guidelines in the bill, would be submitted to the Legislature by the Governor.

Federal funds now received for Medicare, Medicaid, Family Health and Child Health Plus would be combined with the state revenue in a New York Health Trust Fund. New York would seek federal waivers that will allow New York to completely fold those programs into New York Health. The "local share" of Medicaid funding - a major burden on local property taxes - would be ended.

Private insurance that duplicates benefits offered under New York Health could not be offered to New York residents. (Existing retiree coverage could be phased out and replaced with New York Health.)

JUSTIFICATION:

The state constitution states: "The protection and promotion of the health of the inhabitants of the state are matters of public concern and provision therefor shall be made by the state and by such of its subdivisions and in such manner, and by such means as the legislature shall from time to time determine." (Article XVII, § 3.) All residents of the state have the right to health care.

New Yorkers - as individuals, employers, and taxpayers - have experienced a rapid rise in the cost of health care and coverage in recent years. This increase has resulted in a large number of people without health coverage. Businesses have also experienced extraordinary increases in the costs of health care benefits for their employees. An unacceptable number of New Yorkers have no health coverage, and many more are severely underinsured.

Health care providers are also affected by inadequate health coverage in New York State. A large portion of voluntary and public hospitals, health centers and other providers now experience substantial losses due to the provision of care that is uncompensated. Individuals often find that they are deprived of affordable care and choice because of decisions by health plans guided by the plan's economic needs rather than their health care needs.

To address the fiscal crisis facing the health care system and the state and to assure New Yorkers can exercise their right to health care, this legislation would establish a comprehensive universal single-payer health care coverage program, funded by broad-based revenue based on ability to pay, for the benefit of all residents of the state of New York.

The state will work to obtain waivers relating to Medicaid, Family Health Plus, Child Health Plus, Medicare, the Patient Protection and Affordable Care Act, and any other appropriate federal programs, under which federal funds and other subsidies that would otherwise be paid to New York State will be paid by the federal government to New York State and deposited in the New York Health trust fund. Under such a waiver, health coverage under those programs will be replaced and merged into New York Health, which will operate as a true single-payer program. If such a waiver is not obtained, the state shall use state plan amendments and seek waivers to maximize, and make as seamless as possible, the use of federally-matched health programs and federal health programs in New York Health. The goal of this legislation is that coverage be delivered by New York Health and, as much as possible, the multiple sources of funding will be pooled with other New York Health funds and not be apparent to New York Health members or participating providers. This program will promote movement away from fee-for-service payment, which tends to reward quantity and requires excessive administrative expense, and towards alternate payment methodologies, such as a global or capitated payments to providers or health care organizations, that promote quality, efficiency, investment in primary and preventive care, and innovation and integration in the organizing of health care.

This act does not create any employment benefit, nor does it require, prohibit, or limit the providing of any employment benefit. In order to promote improved quality of, and access to, health care services and promote improved clinical outcomes, it is the policy of the state to encourage cooperative, collaborative and integrative arrangements among health care providers who might otherwise be competitors, under the active supervision of the commissioner. It is the intent of the state to supplant competition with such arrangements and regulation only to the extent necessary to accomplish the purposes of this act, and to provide state action immunity under the state and federal antitrust laws to health care providers, particularly with respect to their relations with the single-payer New York Health plan created by this act.

PRIOR LEGISLATIVE HISTORY:

1992: A.8912-A passed Assembly
1993: A.5900 reported to Ways and Means
1994: A.5900 referred to Health Committee
1995-96: A.6801 reported to Ways and Means
1997-98: A.6172 reported to Ways and Means
1999-00: A.3571 reported to Ways and Means
2001-02: A.6779 reported to Ways and Means
2003-04: A.6952 reported to Ways and Means
2005: A.6576 reported to Ways and Means
2006: A.6576 referred to Health Committee
2007-08: A.7354 - reported to Ways and Means

2009-10: A.2356- referred to Health Committee
2011-12: A.7860-A - referred to Ways and Means
2013: A5389 referred to Health Committee
2014: A5389 - reported to Ways and Means
2015: A5062 - Passed Assembly
2016: A5062 - passed Assembly
2017: A4738 - passed Assembly

FISCAL IMPLICATIONS:

Full funding for New York Health would come from the revenue measures to be proposed by the Governor under guidelines in the bill, plus available federal funds. The revenue package would also replace: local share of Medicaid, the state share of Medicaid, state and local payments for public employee health coverage, and various other health care spending. Numerous analyses document that a single-payer system would be most effective for reducing and controlling costs, for taxpayers, employers and individuals.

EFFECTIVE DATE:

Immediately. The program will actually begin functioning when the Commissioner of Health declares the beginning of the implementation period.