

# MEMORANDUM IN OPPOSITION

**FOR IMMEDIATE RELEASE: MARCH 13, 2018**

Re: A.4738-A (Gottfried)/S.4840-A (Rivera) AN ACT to amend the public health law and the state finance law, in relation to establishing New York Health.

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This legislation would create a universal single payer health plan—New York Health—to provide comprehensive health coverage for all New Yorkers. The New York Health Plan Association (HPA) opposes this legislation.

Sponsors of the bill have a utopian view of a universal health care system where everyone would be covered, everything would be covered and everything would be paid for. The gap between this idealized world and reality is wide. And there's mounting evidence that the gap is actually an unbridgeable chasm.

The New York Health program would be paid for by two new taxes—one on payrolls, and another on non-payroll income such as interest, capital gains and other investment proceeds. Because the bill leaves details of these taxes to be determined later, it is impossible to estimate the amount to be raised or actual cost of this program. However, it is safe to presume they will be large. One economic analysis of the bill estimated New York would need to raise an additional \$92 billion in revenue—on top of all existing state spending on health care. Another study estimates the amount that would need to be raised significantly higher, closer to \$225 billion.

Other states have examined and rejected single payer proposals.

- California last year rejected single payer after it was determined it would cost the state \$400 billion—or more than twice the entire state budget.
- A referendum in Colorado on creating a single payer system called "ColoradoCare," which would have resulted in a ten percent payroll assessment, was defeated at the polls with over 78 percent of Coloradoans voting against it.
- Neighboring Vermont had dreams of a single payer system until then Governor Peter Shumlin was presented with multiple studies that concluded the costs necessary to fund a program, to be raised by an 11.5 percent payroll assessments on businesses and sliding premiums up to 9.5 percent of individuals' income, "might hurt" the economy.

For nearly two decades, New York's health plans have been dedicated partners in the state's efforts to expand access to and improve quality of care to New Yorkers. Through these endeavors, New York consistently meets or exceeds national benchmarks on health care quality and the state's uninsured rate is at an historic low of 4.9 percent.

This legislation is a distraction from New York's health care achievements. For all these reasons and others, the New York HPA opposes A.4738-A/S.4840-A.

*The New York Health Plan Association represents 28 managed care health plans that provide comprehensive health care services to more than 8 million New Yorkers.*