



March 12, 2018

RE: 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

A.4738-A Gottfried/S.4840-A Rivera

MEMORANDUM IN OPPOSITION

Unshackle Upstate, a non-partisan, pro-taxpayer, pro-economic growth, education and advocacy coalition made up of business and trade organizations from all parts of Upstate New York, strongly opposes this legislation.

This bill would replace the current system of health care coverage in New York State with a multi-billion dollar, government-run single payer health care system paid for by the state's taxpayers. Such a system would be costly and disruptive and should be rejected.

We begin by noting that the sponsor does not indicate what the total cost of this legislation would be, nor does he provide any details regarding how it would be paid for. According to the sponsor's memo, "[f]ull 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 "guidelines in the bill" include a "progressively-graduated payroll tax" and a "surcharge on other taxable income." Whatever the merits of a state-paid health care program, creating the program without setting forth a specific plan for paying the substantial costs of the program defies logic, common sense and sound public policy.

Moreover, Unshackle Upstate has significant concerns regarding New York State's ability to run and maintain the New York Health program, given its track record in administering its Medicaid program. New York's program is the most expensive in the nation at a projected \$68 billion for 2018. In addition, for years it was an escalating portion of the state budget that had to be curtailed by the implementation of necessary spending restraints and the implementation of recurring savings through the work of the Medicaid Redesign Team (MRT).

Unshackle Upstate has consistently been a leader in fighting for the state's taxpayers and employers. With the rising cost of private health insurance as one of the major issues of

concern for our members and their employees, we continue to explore opportunities to help keep health insurance affordable in New York State. We maintain that the greatest way to control health care costs is through a robust easily navigable network of health care providers to care for the privately insured.

The administration and delivery of health care in New York State must continue to be analyzed and updated to benefit its citizens. Lawmakers should reduce health insurance taxes and repeal health insurance mandates. But this measure represents a massive new tax burden on the state's businesses and their employees. If enacted, it would have a devastating impact on the hard-working communities across Upstate New York.

For these reasons, Unshackle Upstate opposes the enactment of this legislation.