

# Statement on the New York Health Act

February 11, 2019

The revised version of the New York Health Act (NYHA) released today is a well-intentioned proposal to continue to increase access to insurance coverage and reduce barriers to quality health care for New Yorkers, but currently it is not a feasible measure. A more practical and effective approach to positive change to New York's health system should focus on targeted initiatives to expand insurance coverage and improve the health care delivery system.

The "single payer" strategy of the NYHA is currently not feasible due to barriers, including:

- The federal waivers that are necessary for use of funds from and programmatic changes to Medicare, Medicaid, and the Affordable Care Act (ACA) will not be granted.
- It requires a substantial State tax increase that would more than double the State's current tax collections, a step that raises serious fiscal and political challenges.
- Self-insured firms that would be required to participate will likely pursue legal challenges with arguable merit.
- The NYHA's mandated shift of more than 10 million New Yorkers from private insurance plans to a public plan will engender significant resistance from those satisfied with their current arrangements.

Instead of focusing on immediate creation of a single payer system, New York's political leaders should pursue targeted reforms, some of which would lay the groundwork for future expansion of public coverage. These include:

- A State mandate requiring individuals to have coverage, likely increasing access and reducing costs to some;
- A new, low-cost public plan that individuals and groups could purchase at their own expense; and
- Increased use of mechanisms that promote competition and transparency, such as reference pricing and value-based health care payments.

The State could also explore:

- Expanding insurance subsidies to non-eligible immigrants and those earning between 200 percent and 400 percent of the federal poverty level, if state budget constraints permit; and
- A geographic global budget pilot—paying a coalition of providers a lump sum to care for the population in their area.

Harnessing the current attention to positive reforms that underlies the NYHA proposal can yield significant benefits for New Yorkers. Debate over how best to do this in the long run can be instructive, and action in this legislative session should focus on feasible yet meaningful opportunities to make concrete progress.

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