



## Myths and Facts about the New York Health Act

The New York Health Act would radically transform the state's entire health care system. With more than 95% of New Yorkers currently insured, creating a single payer, government-run system would result in massive disruptions for patients, resulting in longer wait times for treatment and no guarantee that they could see the doctor or specialist of their choice. The state Legislature has not produced an analysis of its costs and other effects, leaving questions about the fiscal impact the New York Health Act would have on the state, the health care delivery system, and the quality of care for patients.

### **MYTH: The New York Health Act would reduce costs**

**FACT:** Advocates claim it will not cost New Yorkers more to cover all individuals under the NYHA, but massive state tax increases would be needed to pay for health care costs of a government-run, single payer system. The estimated new tax increases needed would climb to more than \$250 billion when fully implemented.

### **MYTH: The New York Health Act would save money for New Yorkers**

**FACT:** Advocates suggest the NYHA would reduce costs by eliminating administrative expenses, negotiating lower prices for prescription drugs, and reducing the costs doctors and hospitals are paid for care. However, it would not eliminate all administrative costs, as the state would still need to set up systems to verify eligibility, administer claims and protect against fraud. Further, the state cannot set payment rates to pharmaceutical manufacturers, which would fail to address one of the major factors driving health care costs – increases in prescription drug prices. Countries that have enacted government-run systems institute price controls that mandate payments at a specific level. Savings would come about through lower reimbursements paid to doctors, hospitals and other providers.

### **MYTH: The New York Health Act would put more money in the pockets of New Yorkers**

**FACT:** While the NYHA would eliminate out-of-pocket costs for health care, the money needed to finance a government-run system would require massive new taxes. The bill would be funded in part through a premium payroll tax paid by employers and their workers – on more than half of New York businesses. As the NYHA would impose new payroll taxes, it would reduce individuals' take-home pay, leaving less money in their pockets.

**MYTH: The New York Health Act would lead to the creation of more jobs in the state**

**FACT:** The NYHA's supporting economist estimates that New York will lose 150,000 jobs if the bill is implemented, approaching job losses experienced during the Great Recession.

**MYTH: The New York Health Act would not affect Medicare beneficiaries**

**FACT:** By creating a government-run system, the NYHA would eliminate Medicare as it exists today for seniors in New York by lumping them into a larger health care program run by the state. Individuals currently covered by Medicare would lose their Medicare coverage.

**MYTH: The New York Health Act would not result in increased wait times for patients**

**FACT:** Citizens in both Canada and the United Kingdom, the only two countries with similar single payer systems, report long wait times for care, provider shortages, have higher rates of hospital mortality and are increasingly dissatisfied with their country's health care systems. In fact, a Health Foundation report found that a single payer system would lead to greater congestion at local hospitals.

**MYTH: The New York Health Act would not affect access to care**

**FACT:** Government-run health care systems frequently attempt to control spending and tax increases by rationing care and limiting what benefits and services are covered. By creating a single payer system, the NYHA would leave unaccountable, government bureaucrats in charge of the health care system, resulting in less access to care.

**MYTH: The New York Health Act would be better than coverage through an employer**

**FACT:** Today, more than half of all New Yorkers receive coverage through their employer or a union. These individuals would lose their coverage under a government-run system, taking away the ability of employers to manage their health care costs while still being subjected to massive tax increases. Also, polls show the majority of people like their current health insurance.

**MYTH: The New York Health Act could be implemented within two years**

**FACT:** Implementation of the NYHA is contingent on the state receiving waivers from the federal government to both revise the state's current Medicaid waiver and include Medicare beneficiaries in the new system. The head of the federal Centers for Medicare and Medicaid Services has said the agency would deny waiver applications from states seeking to implement their own single payer system. The legislation would likely also face legal challenges under ERISA (The Employee Retirement Income Security Act).

