

Police Conference of New York

Testimony on the New York Health Act (A.5248/S.3577)

Below is a partial list of concerns that we have found in the single payer bill.

This bill will completely supplant and replace all existing health insurance benefits currently found in collective bargaining agreements.

Unions will no longer be able to bargain for health benefits.

The bill will be paid for by a progressive payroll tax on those making more than \$25,000, a year. The employer shall pay 80% of the tax and the employee, 20%. Many union members pay less than 20% of the cost of their health care. The bill does not mandate that practice continue. In fact, the bill sponsor dismisses such concerns and says unions should have no trouble negotiating lower rates. There will also be a non-payroll tax on income such as, but not limited to, dividends, interest and capital gains.

The bill sponsors refuse to disclose what the actual cost will be. The income brackets for the tax will be determined after the bill is enacted into law. Current health insurance plans are the result of decades of collective bargaining. Many times, unions have taken less in salary increases and other benefits to improve or maintain their health plans. This bill will nullify all negotiated health insurance provisions ensuring years of litigation over impairment of contract issues.

The provision of the bill for retirees makes no sense. It states for retirees living out of state the appropriate retirement system shall maintain their retiree health benefits. No one receives their health benefits from a retirement system and the bill does not explain how that would work.

The Rand Corporation did a report on the original bill. Since the bill sponsors refuse to discuss the cost, they had to make a lot of assumptions.

They assumed no employers will leave the state. They also assumed that no high wage earners would leave the state. This is doubtful due to the anticipated high costs of implementation.

The report assumed 2% job growth, but did not account for the loss of jobs in the insurance industry, which will be virtually eliminated in the state of N.Y.

The report did not discuss long term health care because it was not included in the original bill. The new version has included this issue which will increase the cost by 18-22 billion dollars.

The report did not account for the influx of people who will move to N.Y. in order to obtain this benefit which will be the only single payer plan in the entire country.

This bill will eliminate buy back provisions in contracts. These are plans where if both spouses work for employers who provide health insurance one of them foregoes the plan from their employer, and splits the savings with the employer. This bill eliminates the money to the employee and mandates the employer pay the full payroll tax.

Health insurance is a major concern not only across the state but the entire nation. The goal of this bill is to cure all of the ills in the system in one piece of legislation. While laudable, it is not realistic. Polls show that only 4% of the state's residents do not have, or have access to, health coverage. There must be a better way to cover these individuals without re-vamping the entire system.

Our members depend on us to protect their benefits. The sponsors of this bill are asking us to abandon our current coverage for a completely unknown system with unknown costs and unknown future increases. This requires a leap of faith that most union members will not want us to take.

Richard Wells
President
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