



Full-Service Trade Association Representing Dairy Processors, Manufacturers and Distributors Since 1928

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November 11, 2019

MEMO IN OPPOSITION

Legislation: **A.5248 (Gottfried)/S.3577 (Rivera)**

Title: AN ACT to amend the public health law and the state finance law, in relation to establishing the "New York health act" and to establishing New York Health

Northeast Dairy Foods Association represents dairy product processors, manufacturers and distributors in New York State since 1928. Our members provide thousands of good paying manufacturing and related jobs in the state. It is important to know when government makes mandates which will cost employees and their employers more money than similar competition in other states, it will reduce and hurt our member's ability to stay in business.

After careful review and discussion, our Association opposes this legislation, which would create a government run, "single payer" health care system that would replace New York's current system of health coverage. We do not believe a majority of New York State citizens, when asked if they support the New York health act legislation understand the complexities and potential burden it will place on them if passed into law. Our Association does not agree the current health care services provided by private concerns which cover more than 95% of the state's citizens needs to be completely thrown out and taken over by the State. We recommend allowing for more competition with insurance services and provide them with the ability to cross state borders and do business.

The single payer system would be financed by a mandatory new payroll tax on both employers and employees, as well as new taxes on other income such as interest and capital gains.

The New York Health Act would result in the largest state tax increase in the history of the U.S. An independent study conducted by the RAND Corporation found that the legislation will require at least \$210 Billion in new taxes when fully implemented. RAND did not include the cost of long-term care benefits, which requires an additional \$42.7 billion in taxes. This is three times more than what New York State currently collects (\$76 Billion) to pay for everything from schools to roads and bridges.

Although proponents of single payer healthcare systems like the New York Health Act like to say they would be "Medicare for All," Medicare allows people to choose a health plan and purchase additional coverage if desired. Under this legislation, New Yorkers would not have any choice in their healthcare coverage; the only option available would be the government-run single payer system.

Today more than 95% of New Yorkers have healthcare coverage through a combination of private, employer-sponsored and government supported plans. The legislation destroys the current system of healthcare coverage by banning the sale of private health insurance in New York State, while doing nothing to address the increasing costs of health care.

The single payer healthcare system this legislation creates would be impractical, not provide better healthcare for the State's citizens and would be a financial disaster for New York state. For these reasons, Northeast Dairy Foods Assoc., Inc., opposes this legislation.

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