# Public Employees, Retirees and the NY Health Act

By Richard Gottfried, retired Assembly Member and author of the NY Health Act

Organized labor is proud of the health benefits it has won. But they come at a heavy cost:

▪At the bargaining table, unions are pressed to yield on wages and other benefits to protect the health plan, or limit the health benefits for retirees.

▪New York City public employee retirees have had to go to court to stop their health benefits from being cut; the case is still unresolved.

▪There are plans to charge city employees higher fees if they go to a hospital outside a narrow network.

▪A huge chunk of health benefit dollars pays for health insurance corporation bureaucracy, marketing and profit; hospital administrative costs for fighting with the insurance corporations; and excessive drug prices – not for health care.

▪Health insurance corporations can delay or wrongly deny "prior approval" for needed care.

▪Employees can lose their coverage if they lose or change their job.

▪No employee or retiree health benefit or Medicare covers long-term home care or nursing home care – which most of us are likely to need.

There is no proposal on the table in New York to fix this – except the New York Health Act: universal, publicly-funded and publicly-accountable health coverage, also called "improved Medicare for all" or "single payer."

The New York Health Act is fully comprehensive health coverage for every New Yorker, fairly funded based on ability to pay.

The governor, the legislature, their families, and people with wealth and power will all be in the plan and have a stake in making sure the plan treats them and their health care providers as well as possible. And 20 million New Yorkers will all benefit from being in that plan. The wealthy and powerful and the rest of us "in the same boat."

**Comprehensive coverage:** NY Health covers primary, preventive, specialist, hospital, mental health, reproductive health care, dental, vision, hearing, prescription drugs, medical supplies, and long-term home care and nursing home care – more comprehensive than any health plan available today. And the benefits will be guaranteed in law.

**Will benefits be as good as public employee/retiree benefits?** The bill spells out that any benefit now covered by any state or local public employer in NY for any employee, retiree or beneficiary will be covered (for all of us) by the NYHA. And, of course, the benefits will go far beyond that.

**Free choice:** No restricted provider network or restricted drug formulary; no prior approval for health care. You and the health care providers you choose make health care decisions, and they provide care. New York Health pays the bill.

**Fair funding:** No premiums, deductibles, co-pays or out-of-network charges.

Funded by a broad-based tax based on ability to pay: a progressively-graduated tax on payroll income and non-payroll taxable income (e.g., dividends, capital gains). Employers must pay at least 80% of the tax on payroll income (or more, e.g., through collective bargaining). An individual's first $25,000 of income would be exempt. For people on Medicare, the first $50,000 of income would be exempt.

For state or local public employers, the bill says that whatever percentage of the health premium the employer now pays for any employee, retiree or beneficiary, the employer must pay at least that percentage of the NYHA payroll tax.

**Better coverage for retirees.** The NYHA would be dramatically better for retirees. Much more comprehensive coverage than any existing plan, including any union plan. It includes long-term home care and nursing home care (especially important for retirees).

Publicly-run and publicly-accountable, not run by a for-profit insurance corporation. No deductibles, no co-pays, no restricted provider network or out-of-network charges, no restricted drug formulary, no prior approval for health care. The benefits would be guaranteed by state law.

**Protecting your Medicare.**
Medicare coverage continues. The bill guarantees the NYHA will not reduce any right or benefit under traditional Medicare. NY Health would fill all the gaps in Medicare. It would wrap around Medicare (as state employee retiree coverage does), or the federal government could agree to have NY Health administer Medicare in NY, consistent with all Medicare rights and benefits, within NY Health. (In every state, Medicare is administered by one or more contractors.)

(When members of the NY City Council and the State Legislature have proposed bills to guarantee public employee retiree health benefits, including coverage for traditional Medicare and Medicare Supplemental coverage, public employee unions have adamantly opposed that.)

**Retirees who move out-of-state:**
The bill specifies that health benefits for public employee retirees or their beneficiaries who move out-of-state will not be affected by the NYHA. The NYHA will not lose them any right or benefit. Thanks to the NYHA covering in-state retirees, benefits for out-of-state retirees will be less of a burden to cover, making the benefits more secure.

**If I'm temporarily out-of-state?**
If someone covered by the NYHA gets health care while temporarily out-of-state, the cost will be covered. The NYHA will pay out-of-state providers more fairly and with less hassle than current plans (e.g., no prior approval; no restricted network).

**Savings:** New York Health will save about $60 billion a year by not paying for insurance corporation bureaucracy, marketing and profit; cutting the cost and time health care provider spend to fight with insurance corporations; and cutting drug prices through the bargaining power of 20 million "covered lives." These savings are more than enough to cover long-term care, ending out-of-pocket charges, covering the uninsured, and fairly paying providers. Over 90% of New Yorkers will spend less in NYHA taxes than they now spend on coverage and care. (Numerous studies by major consulting firms and academics document these savings.) No other approach can deliver these savings and expanded coverage.

**No federal permission is needed.**
The NYHA can work effectively by wrapping around federal programs. This is long-established. E.g., NY's senior citizen drug coverage began before Medicare Part D and is better. NYS Medicaid has always covered populations and services that federal Medicaid does not cover. It would be better if the federal government enables NY to merge federal funding into NY Health (keeping all federal rights and benefits), but NYH can work well without that merger.

**Will doctors want to work in NY?**
A major cause of physician burnout and leaving practice is the cost and frustration of fighting with insurance companies. That ends with the NYHA. Medicare and Medicaid don't cover the full cost of care; the NYHA will fill that gap. The bill language on payment rates, and having "all in the same boat," make sure doctors and hospitals will be well paid.

**·Health care is a human right.**
**·It should not have to be bargained for.**
**·It should be affordable and secure.**

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