

## **MEMORANDUM IN OPPOSITION**

### **A.4738-A (Gottfried)/S.4840-A (Rivera)**

An act to amend the public health and state finance laws to create the New York Health Act, a single-payer system.

#### **WE OPPOSE THIS BILL BECAUSE CREATING A SINGLE-PAYER SYSTEM IS COST PROHIBITIVE:**

- Analysis of this proposal estimates New York would need an additional \$92 billion a year in revenue to pay for this new program — on top of the billions we already spend on health care. This new revenue would be raised by implementing two new, major taxes on payroll and non-payroll income. Given the already high cost of doing business in New York State, universal care is just bad policy.
- California considered a single payer bill, but its \$400 billion price tag — double the state's total budget — would have required a 15% payroll tax. Governor Jerry Brown has said a statewide single payer healthcare system would be catastrophic.
- In neighboring Vermont, former Governor Peter Shumlin backed away from his single payer proposal once financial reports concluded that funding the program would cost \$4.3 billion and require large tax increases for residents and businesses.

#### **Changing health care distribution does not lower cost:**

- Many factors — including duplicative and unnecessary state legislation — increase the price of premiums. Not only does this plan fail to address the root of the problem, but the proposal comes at a time when health insurance is already in flux. The legislature should focus on state legislative effort that will ensure stability in New York's insurance marketplace and promote actual HEALTH CARE affordability.

#### **Offering benefits like health insurance benefits both small business owners & employees:**

- A single payer system would take away employer-sponsored health coverage. It's been shown that offering employees health coverage as a benefit helps business owners attract and retain skilled employees, which helps provide long-term economic stability for employers. Many employees will accept higher benefits in lieu of a higher salary.
- Employees with employer-sponsored coverage demonstrate improved wellness, decreased absenteeism, improved employee health and morale. People with coverage are more likely to seek preventative care and live overall healthier lives.

### **FOR THESE REASONS, WE ASK YOU TO OPPOSE A.4738-A/S.4840-A**

*The Employer Alliance for Affordable Health Care is the largest, single-issue grassroots coalition in New York State, with more than 3,000 small business owners and sole proprietors representing more than 150,000 individuals. Our members believe that everyone should have access to basic, affordable health insurance. We oppose state health insurance mandates that increase premiums.*