

ALLIANCE ALERT!

MEMORANDUM IN OPPOSITION

Bill: S.3186-A (Hannon)/A.2474-A (Canestrari)

Permits Physicians to Engage in Collective Bargaining Practices

January 2012

The Employer Alliance for Affordable Health Care is a grassroots coalition of more than 3,400 sole proprietors and small and medium-sized business owners representing more than 150,000 working New Yorkers. Our members believe that everyone should have access to basic, affordable health insurance. This proposal will drive up consumer costs by allowing health care providers to engage in “price fixing” by joining together for the purpose of collective bargaining.

WE OPPOSE THIS MANDATE FOR THE FOLLOWING REASONS:

- The Federal Trade Commission, in a letter commenting on proposed legislation last year, concluded that such an agreement, as intended by S.3186A/A.2472A, is tantamount to price fixing – collaboration that increases a doctor’s profit margin by driving up consumer costs. The NYS Department of Financial Services reports that health insurance premiums increased an average of 8% this year. To permit collective bargaining will drive these increases even higher. While the exact degree remains unknown, an independent consulting firm estimated that for every 1% increase in premiums, 30,000 New Yorkers lose their health insurance coverage. (*Barents Group 1999*)
- The proportion of workers in New York State with employer-sponsored health insurance has fallen dramatically over the last decade – to 58% from 69% in 2001 – and lags the national average (65%). (*New York State Health Foundation, Decade of Decline: A Survey of Employer Health Coverage in New York State Nov. 2010*) The federal health care reform law is aimed at increasing health insurance coverage. New York must refrain from anything that is counterproductive to this measure.
- Collective bargaining is directly intended to increase physician compensation. Physicians are widely recognized as one of the wealthiest professions in the nation. This bill provides great harm to consumers who own and work for small businesses – a group already struggling to afford health insurance – and in turn, the hub of the New York State economy.
- As part of the federal reform law, New York is working to enact a Health Insurance Exchange aimed at providing New Yorkers a choice of high quality affordable health coverage options. The Legislature must turn its attention away from any new mandates that could impact not only current costs but also threaten future affordability, and focus instead on ensuring New York’s Health Insurance Exchange will truly give small and medium-sized businesses access to basic, affordable health care.

***For these reasons, the Employer Alliance
asks you to OPPOSE S.3186-A/A.2474-A***



The Employer Alliance for Affordable Health Care

PO Box 1412 • Albany, NY 12201-1412

www.employeralliance.com