



The Employer Alliance for Affordable Health Care

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## Press Release

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### Single payer health care is not a solution

**ALBANY** – Small businesses cannot afford to absorb the added costs that will occur if New York Legislators were to implement the “New York Health” proposal, said Larry Teal, chair of the Employer Alliance for Affordable Health Care.

Teal, who is the owner of Accounting for All CPAs in Clifton Park, voiced his opposition at today’s public hearing in Albany, the last a statewide series of public hearings sponsored by Assemblyman Richard Gottfried.

Health insurance costs are a significant concern for many of New York’s small businesses and reform has done little to resolve the problem, Teal said. “One of the recent criticisms of federal health care reform is the fact that while more people are accessing coverage, the cost of providing this coverage has been shifted to the taxpayers. The single payer solution would be paid for with a new tax on businesses. Small businesses are the engine of job growth and just can’t take any more taxes”

The cost of creating a single payer system was recently identified in Vermont, when Governor Peter Shumlin admitted that the state could not move toward a publically-financed health care system because of the high costs, which included an 11.5 percent payroll tax and a premium assessment of up to 9.5 percent on a resident’s individual income.

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*The Employer Alliance for Affordable Health Care is a coalition of more than 3,000 employers and individuals from across New York, representing more than 150,000 working New Yorkers committed to preserving quality affordable health care. We believe that reducing health care cost is essential to ensure that everyone has access to basic, affordable health care.*



“We have said all along that the New York State Legislature should not be in the healthcare business,” said coalition Executive Director Pamela Reese Finch. “Vermont has recognized that a single payer system is not the solution. Now it’s time for New York to put this idea aside and start making real changes that get to the heart of the problem – reducing health care costs.” Our agenda for reducing health insurance costs:

✓ **CONTROL PHARMACEUTICAL COSTS**

The increasing cost of prescription drugs is a major driver behind the growth in health care spending. According to the Health Care Cost Institute, consumers utilized 15.5 percent fewer brand name prescriptions last year, but the average price paid still rose 21.2 percent. These current pricing trends are unsustainable – as illustrated by the newly-approved treatment for hepatitis C. The new treatment, Harvoni, carries a price tag of \$1,125 per pill or \$94,500 for the prescribed 12-week course. Reducing these costs could have a significant impact on the overall cost of health care.

✓ **NO MORE FEES, TAXES OR ASSESSMENTS, ESPECIALLY THOSE WITH NO DIRECT IMPACT ON HEALTH CARE**

The added costs that are placed on health insurance carriers result in increases to consumers. The New York State Health Care Reform Act specifically imposes numerous “surcharges” on health insurance including the Covered Lives Assessment and Patient Services Assessment. A fee by any other name still creates hardship for consumers.

✓ **MEDICAL COST TRANSPARENCY**

Research shows that in states where price data was made available ahead of time, the end result was reduced health care cost without any negative impact on patient care. New York must establish protocol requiring hospitals and health care providers to disclose the cost of their services up front.

✓ **FINALIZE THE HEALTH CARE QUALITY & COST CONTAINMENT COMMISSION**

Established in 2007, the commission will review any proposed mandated health insurance benefits to provide an objective “cost-benefit analysis” before legislative action would be taken on specific proposals. Now that health insurance coverage is dictated by the basic benefits package, this commission is an even greater propriety, as any coverage changes could ultimately impact both consumers and taxpayers.

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