

Testimony to the Partnership For Universal Health Care  
September 5, 2007 Glens Falls

My name is Barbara Thomas and I live in Ballston Spa, NY. I am 70 years old, and for my entire lifetime we have been discussing the fact that all people need access to health care and trying to figure out a way to make it happen. When I was a child most people paid a fee for service every time they visited the doctor or went to the hospital. I was one of the few people in this country whose family belonged to a health insurance society, where we paid a monthly fee and signed up with a doctor who accepted the society's patients, referred them to specialists when necessary, and paid for hospitalizations. There was no co-pay, but we didn't go to the doctor unless there was something the matter with one of us. I also worked as an administrator of a non-profit health care clinic and was at one time a member of the Upper Hudson Health Care Planning Council. So I have been thinking about this issue for a long time.

As medical care became more expensive and effective in the post World War II era, more and more businesses offered health insurance as a benefit to attract and keep employees. At the same time there were many people who were too poor to pay for the health care that they needed, particularly preventive care. We talked about national health insurance but it was politically dismissed as socialized medicine. We did develop Medicaid for the indigent and Medicare for the elderly. The costs of health care continued to grow, and so did the share of the medical dollar that went to pay the insurance companies rather than paying for medical care. Then businesses began to pull back from covering their employees, requiring employees to pay a share of the cost, the insurance companies began to require larger and larger co-pays, so that now we have reached the current point where more and more people forego necessary health care because they are uninsured, we pay more and more money for health care and insurance, more and more people go bankrupt because of medical bills, we have allowed the insurance companies to decide what medicine and treatments we will receive, and our health outcomes are not nearly as good as other first world countries.

We need to start over. And we need to get started now. I am convinced that we need to move to publicly funded universal health care where people have their choice of medical providers. This kind of a system could look like Medicare, with its low administrative cost, but with more realistic reimbursement levels and with the more comprehensive range of services provided by Medicaid. It would definitely be a single payer system. We need to remember that health insurance is not the same as medical care.

Ideally, universal health care would be provided on a national level, because we are a mobile society, and we need health care where we are. So we in NYS should support HR767. But it is possible to start in NYS, and become the model that the country adopts.

We should pay for our health care from public funds – that means taxes. And most of the source of that tax revenue should be from progressive taxes, like the income tax. Raising state income taxes would not necessarily increase an individual's total tax burden, because those taxes are deductible on the individual's federal taxes. There is a possibility that some of the money going into the health care fund could be raised by a tax on payroll, even though this is not a truly progressive tax. And we should negotiate maintenance of effort from the Federal Government. However, health care should not be dependent on employment status, it should be a right that every individual is entitled to.

This means that employers, both private and government, would be getting out of the business of buying health insurance. This means that the competitive disadvantage that employers who provide excellent health insurance have versus those who employers who provide no or inadequate insurance would be eliminated. It would give business in NYS a competitive advantage compared to the rest of the country, put them on a par with businesses in the European Union, and make them more competitive in the global economy.

It is important that the health care system we design pay for comprehensive , good quality health care services, so that there is no need for people to purchase supplemental health care insurance for medically necessary services, including preventative ones and mental health care. It will have to be good enough that people who currently have good health insurance and access to services continue to receive the same level of care that they are used to. People could, of course, pay for insurance for non-medically necessary services such as cosmetic surgery, private rooms or private nursing or pay for these out of pocket.

Right now we have such a hodge podge of insurances and public programs that insurance companies spend a large part of their money on marketing, determination of eligibility, and denial of claims. Many people have more insurance policies or eligibility's than they need and a great deal of energy is wasted on determining which program should pay. Others have no access to health care because they lack money or insurance. We need to use the almost 30% of our health care dollar that is wasted on insurance and use it to extend health care to everyone. There is every reason to expect that a single payer system would have an administrative cost similar to the 3-4% that Medicare has.

Naturally, the insurance industry doesn't want to give up its lucrative health insurance business. But in a free enterprise system it is not the responsibility of government to guarantee the profitability of individual businesses. On the other hand, with a change of this magnitude it is a good idea to provide as much warning as possible, so that there is time for businesses and employees to transition. Many employees could reasonably be retrained to provide actual healthcare services.

If we decide that we cannot change to covering everyone initially, we could reasonably begin by covering everyone under age 12 or age 21 (with no other eligibility requirements), and then having family and individual health insurance policies cover only those above that age. The Insurance Department would have to insist on lowering allowable rates to reflect the fact that there is no longer any need to pay for services to that group.

We will need to develop a way to set fees for medical providers, and to let them bargain with the system. We should use the fee structure to also reflect our priorities of prevention. We need to be cost conscious, and perhaps limit the availability of very expensive equipment to some determination of need within a specific regional area, while at the same time considering the convenience of patients.

I urge you to think boldly, and make the Empire State a leader in the cost efficient provision of health care to all its residents.

Barbara K. Thomas

*[Personal contact information removed to protect privacy]*