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**THE LEAGUE
OF WOMEN VOTERS**
of New York State

**TESTIMONY REGARDING HEALTH CARE REFORM
SUBMITTED TO NYS PARTNERSHIP FOR COVERAGE
PUBLIC HEARING, GLENS FALLS, NY**

September 5th, 2007

Good afternoon, my name is Colleen Florio. I am President of the Warren County Member-at-Large Unit. With me today is Donna Packard-Mahoney, Health Care Specialist for the League of Women Voters of New York State. This testimony has been prepared by both Ms. Packard-Mahoney and myself. I would like to thank Governor Spitzer, the Partnership for Coverage, the New York State Department of Health, and the New York State Department of Insurance, for holding today's public hearing and allowing me to speak on healthcare reform.

The League of Women Voters is a nonpartisan political organization that encourages informed and active participation in government, works to increase understanding of major public policy issues, and influences public policy through education and advocacy. The League has sixty local Leagues statewide and I am speaking today on behalf of the Warren County League and the New York State League. The issue of access to affordable, quality health care is pivotal in determining the quality of life of all New Yorkers. The League has advocated on behalf of all New Yorkers for over 20 years on the issue of health care. In 1990, the League undertook a two-year study on the funding and delivery of health care in the U.S., resulting in the League's 1993 position statement on health care. Since that time the League has lobbied and testified on numerous bills that safeguard public access to health care such as HCRA, CHP, and FHP.

The League believes that quality, affordable health care should be available to all New York State residents. The League advocates for universal coverage of a basic level of care that includes disease prevention and health promotion and education in addition to primary care, prenatal care and reproductive health care, acute care, long-term care, and mental health care. Health care policy goals should include equitable distribution of services and the efficient and economical delivery of care. First, I will focus on issue of equity, then address efficiency and cost control.

Equitable distribution of services means that individuals should have access to a basic level of care regardless of income, age, health status, geographical location, or any other factor. As long as we allow massive private health insurance corporations to be the middlemen between consumers and providers, services will not be distributed in an equitable manner. Persons who are less likely to need care will have greater access to coverage while those in need will go without. Fortunately, our state government has publicly financed several programs to meet the needs of those in the most dire of financial straits. The issue facing us today is the enormous gap that includes those who do not qualify for public programs, and yet cannot afford what is fast becoming a luxury item: private health insurance. The current mix of publicly financed programs for the most needy and high priced private insurance plans does not ensure equity, in fact it creates large income-based disparities in access to health care. The League supports the standardization of basic levels of service for publicly funded health care programs as a step towards equity.

The League endorses a variety of cost-control mechanisms to make progress in the direction of efficient and economical delivery of care, first and foremost is the reduction of administrative costs. As Americans, we have years of experience as the only industrialized nation that allows for-profit insurance companies to manage health care access and delivery. This experience has shown us that a private market-based system of health care insurance will necessarily result in huge administrative overhead in order to find ways to provide less care at greater cost. The math is basic: to make a profit in any industry, we must charge more than we spend; health insurance premiums

must generate more revenue than the total claims paid out. In an effort to contain their costs, the health insurance industry has created elaborate, complicated systems to manage both patients and providers, determining who can buy coverage, who can keep it, and who can be paid for rendering care. The sad irony is that the staggering amount of paperwork and complicated procedures, each unique to a specific insurer, has not contained the costs of health care insurance, but has inflated the cost of health care delivery to an unsustainable level. In addition, the private market-based system restricts choice on the part of the consumer, since health plan administrators determine which providers are on their panels.

The private market-based health insurance system is not and cannot be economical, since the underlying motive will always be to find a way to provide less care for more money. As attempts are made to regulate the health insurance industry, the manner in which money is funneled away from consumers in the form of high insurance premiums and into the pockets of plan administrators and executives will simply shift to ensure responsibility to the bottom line. The League opposes a strictly private market-based model of financing the health care system. The way to achieve substantial and lasting reductions in the cost of care is to adopt a single-payer system.

The League of Women Voters asserts that a health care system can succeed only if it takes into account both fairness and responsibility. Public financing of universal health care is appropriate because the responsibility for our health as a nation rests with each of us, not with a long list of private corporations. Interestingly, responsibility bears a relationship to quality. Specifically, a lesson learned from the field of quality improvement is that a system marked by diffusion of responsibility will be plagued with a lack of accountability and poor quality outcomes. By consolidating responsibility and thus accountability for health care into a single-payer system, we will be better positioned to achieve quality health care for all.

Imagine a single-payer system of publicly financed, privately-delivered, health care for all New York State residents. Together as citizens, we will decide how to spend our health care dollars

and what level of basic care is available to us. Under this system, the long-term health of each person is valued equally. If we opt to cover effective wellness and disease prevention programs now, we will spend less in later years. It will make more sense for us as a group to pay for regular dental care now in order to avoid more costly procedures later in life. Under a single-payer model, coverage for disease prevention and health promotion programs and services will also make good economic sense. Private health insurers are not motivated to achieve long-term benefits in health status, especially with the employer-based system. The pool of participants in a given plan is transient, individuals change plans as they change employers, and besides, it is all too easy to drop coverage if the costs get too high. The existing system is too shortsighted to make a substantial commitment to prevention and wellness programs.

Thank you for this opportunity to share our views with you. We look forward to continuing this dialogue as the process moves forward.