

Testimony for Governor Spitzer's Health and Insurance Departments' Hearing on Health Care for all New Yorkers and All Residents of the United States -- Glen Falls, New York, September 5, 2007 from Marilyn Clement, National Coordinator of Healthcare-NOW

I am Marilyn Clement. I am the National Coordinator for Healthcare-NOW, the broadest and most diverse public advocate nationwide for a single payer, guaranteed national healthcare system for all – for life. We have branches and networks working for national health care in almost every state in the union. In New York State, we have representatives organizing in Albany, Astoria, Beacon, Binghamton, Brooklyn, Buffalo, Carmel, Delmar, Flushing, Hamburg, Harlem, Ithaca, Jamestown, Kingston, Long Island, Manhattan, Middletown, Nassau, Peekskill, Queens, Rochester, The Bronx, South Setauket, Staten Island, White Plains, and Yonkers

We believe the New York State Health and Insurance Departments and Governor Spitzer should support a guaranteed single payer healthcare system for New York State and a national single payer healthcare system for everybody in the United States.

My testimony may seem strange at first because I am going to testify briefly as to why I think we as New Yorkers should pursue a national healthcare system for all people in the United States. While efforts to improve and expand our New York State healthcare system are urgently necessary at the present time, I believe we should also put our formidable energy and resources into leading the nation toward a national healthcare system, a quality, single payer, guaranteed healthcare system that would provide excellent healthcare for every resident of this nation – for life.

If New York and New Yorkers don't do it, who will? If we don't have the resources and the will to do it, who does? We have been in the leadership of many important reforms during the history of this nation, so why not take on leadership now, for this urgently-needed healthcare reform. Why not now since we are behind 37 other nations in the quality of our healthcare? Why not now when we are on the cusp of electing the most progressive Congress since 1964 when Medicare was adopted?

We are witnessing a flurry of failed and failing state attempts to put together state by state healthcare programs that cover all or most of the citizens of a single state with some form of healthcare coverage. We've seen many of these states claim that they are covering everyone only to find out that, because of financing, they are unable to do it. Tennessee, Massachusetts, Maine, Vermont, Illinois, and probably Wisconsin, California and Pennsylvania also – If **these** states, some of the most progressive in the nation overall, cannot pass real universal healthcare coverage, then who can? Can New York do it alone? **See Attached: NEWS ARTICLES – Small Businesses from Healthcare-NOW**

My argument is that, while many of us in New York State want to work for a single payer statewide healthcare system to help all New Yorkers and to salvage the economic system of our state – particularly the small businesses that are suffering most, we must also re-

double our efforts toward a guaranteed national healthcare system. New Yorkers cannot be really healthy if the rest of our country is sick. What we need to do is to move forward toward the largest and most efficient pool possible, a national healthcare system, at the same time joining forces together with those who want to see New York State take the leadership on this issue within our state.

THE PITFALLS OF PRIVATE INSURANCE COMPANIES CONTROLLING STATE HEALTH PLANS

Many states have tried to provide a state-wide program that would cover all of their citizens. These states have all failed to find a way to pay for comprehensive care for all. They have rejected single payer because of the power of the insurance industry. determined to keep its profits. Every state so far has ended up providing more and more tax payer money to private insurance companies to cover the uninsured with the same kind of fraudulent insurance they provide to those of us who are already partially covered by private insurance.

Most of these plans are Massachusetts-style plans characterized by their individual mandates forcing every individual in the state to **purchase private insurance**, a plan favored by President Bush that greatly increases the profits of the insurance companies or by requiring businesses to either pay insurance companies for coverage of their employees or pay into a state fund, again for private insurance companies to cover them. They have consistently overlooked the possibility of a single payer plan that would not require individual mandates and onerous business payments. **See Attached: “The New Massachusetts Health Reform: Half a Step Forward and Three Steps Back.”**
<http://www.healthcare-now.org/news.php>

These plans are always characterized by complicated administrative systems including additional contracts with middlemen. In Massachusetts these are called “Connectors,” and their job is to try to find some kind of minimal private insurance, always less comprehensive, to halfway cover those with the least capability of purchasing insurance. **In every instance, the private insurance companies gain and the states’ citizens and state budgets lose.**

The Massachusetts plan requires that everyone purchase insurance. If they do not do so, they will be fined. Many people in Massachusetts are choosing to pay the fine because they simply cannot afford the private health insurance. For some, it is a matter of choosing between paying the mortgage or the phone bill every month and paying for private insurance. **A single payer system would eliminate all of these problems and provide for guaranteed healthcare for all, costing billions less in the process.**

HOW IS PRIVATE HEALTH INSURANCE FRAUDULENT

I call these private health insurance plans fraudulent because they defy the very description of the term “insurance.” The definition of “insurance” implies security. People all pay in advance into a system that they expect to cover every person in the pool

when they need it – eventually covering the purchaser whenever he or she needs it – providing the biggest possible pool to keep the costs down and the benefits up. A good description of a real insurance plan is that it would be pre-paid. Those who would pay into a healthcare plan would be assured that they would get healthcare when they needed it. We do not have that with the private insurance companies. In today's health insurance market, there is no guarantee or assurance that one's policy will really pay for future illness.

Private insurance plans sole purpose is to make money and thereby, they perpetrate fraud against their customers who expect healthcare security. The way they make money is to deny coverage to the people who are the sickest. They make money by denying insurance coverage to people who want to buy insurance but who might get sick. They deny coverage to others with a “pre-existing condition,” -- a growing list of potential illnesses. Then they reject the claims of those who are covered but who have costly illnesses. Then they charge such large co-pays and deductibles that the people who are sick or who are seeking preventive care become bankrupt (and sicker) in the midst of their serious or potentially serious illness. They raise premiums, co-pays and deductibles for the rest of us to the point that we have to drop the insurance. Last week's statistics showed that an addition 2 million people have dropped coverage and joined the ranks of the uninsured. Most of those were in the middle class. We have no assurance of healthcare coverage.

WHY DON'T THE COMPANIES COVER PEOPLE WHEN THEY ARE SICK?

Every time someone has a serious illness that requires payment by the private insurance company, **that company loses money**, so they strive in every possible way to keep from covering anyone who might get sick.

They love to cover children and young people because they are generally healthier and have fewer claims that must be paid out. The private insurance companies make more money on them. In fact they are designing low-cost, low benefits insurance packages for youth. **See attached article, Wellpoint “Thrill Seeker” Insurance Policies.**

They also love to provide some form of Medicare advantage so they can benefit from taking money out of the Medicare coffers and getting a large subsidy from the U.S. government – up to 19% in additional profit. If they can sell these plans, their only extra costs are for marketing to Seniors, many of whom have no idea that these plans are ripping off the future security of Medicare. The **largest** profits made by the insurance companies this year were made on so-called Medicare Advantage programs.

The private insurance companies are not health providers. They are businesses required to make money for their stock-holders under corporate rules. They are in business to find more and lucrative means of doing business and reaping profits, not to provide healthcare.

In order to keep us all in the dark and floundering for a solution, the insurance companies also perpetuate the myths – we can't afford it; innovative technologies would be scarce; a single payer system amounts to socialism; it's a good idea but it is politically unfeasible, etc. **See Attached: Dispelling the Myths About Single Payer Healthcare: Paying More But Getting Less** http://www.healthcare-now.org/resources_main.html.

Fortunately for the elderly and the disabled in our country, we have provided a system that is not supposed to be a money making system – just healthcare for all in a very large pool. As a result, Medicare costs much less money to administer, less than 3% as compared to up to 30% in administrative costs and profits that we pay to private insurance companies. **See Attached: “Improved Medicare for All,” from Healthcare-NOW**

Jack Lohman of the Business Coalition for Single Payer says that “Some businesses steal from other businesses” his observation on the diminishment of small business profits as a result of ever-growing premiums to private health insurers in order to cover their employees and themselves. The Business Coalition for Single Payer claims that “Single payer would relieve that burden and make healthcare affordable to **small** and large businesses alike.” <http://www.businesscoalition.net/>

NEW YORK STATE CAN DO BETTER

New York State can do better than the states I mentioned above. We have done better on SCHIP by providing more coverage to more children and by limiting the amount of money that has gone into SCHIP private profits. That's why President Bush, with his “all privatization all the time” philosophy, wants to reject the New York State SCHIP Program.

New York State might, in fact, be able to put in place a single payer statewide healthcare program that would remove the private profit-makers from the control of our healthcare system – although I believe it would be much tougher to do it in one state rather than nationwide. It would be a giant step forward for the taxpayers of New York to wrench control of our own healthcare system from the private profit-makers, but we must be ever mindful that they will fight hard to continue reaping these immense profits in the hundreds of billions of dollars.

However, we have a master legal strategist at the helm of New York State, our governor, and he might be able to defend us against the life and death struggle of the private corporations to retain control of their unearned hundreds of billions. If anyone can do it, he can. If any state can do it, New York can.

BUT WHAT ABOUT THE LOSSES TO INSURANCE COMPANIES?

What would happen to the insurance companies and their employees? We are often asked that question.

Here is the language in the Congressional single payer bill, H.R. 676, “Those who are displaced as the result of the transition to a non-profit healthcare system are the first to be hired and retrained under this act. Those not rehired would receive 2 years unemployment benefits.” Just think about the new jobs and the benefits to our economy to have all of those new healthcare jobs to provide for the people who will be getting health coverage for the first time and management jobs and transportation jobs and other jobs for a new healthcare system.

What would happen to the corporations themselves? Most of them, perhaps all of them have built up a mountain of wealth from the healthcare system – hundreds of billions of dollars. They will do what businesses have always done when a society moves on to a new technology or a new priority.

We have moved from public to private and from private to public institutions many times in the history of this country. Public trolleys and buses and local trains were destroyed in cities nationwide in the interests of the automobile manufacturers. An interstate highway system was put in place to benefit cars and the development of suburbs. During WW II, public daycare centers were provided massively to mothers so they could be enlisted to work in the war effort. Then the public day care centers were disbanded when the society decided to send those mothers home to buy refrigerators and washing machines while the returning troops took those jobs. The example most used of course is that buggy whips and buggies and blacksmiths and harness makers became obsolete as king car took over.

Now we see people moving to bicycles and windmills, solar energy and hybrid cars. Change comes and industries transition as our priorities and technologies evolve.

We would be badly mistaken if we believed that we could not choose a national healthcare system that would benefit all of our people and the economy because the insurance corporations and their CEO’s might lose some money. They will fight hard to continue raking in the immense profits and controlling the mismanaged healthcare system that is gobbling up 17% of our gross domestic product. But make no mistake, they will move on to another enterprise and we can do well without them, particularly since **they provide no healthcare.**

It would be easier if we bypassed the state by state experiments, large and small and all worked together as a nation to provide healthcare for everybody in this country now.

GOVERNOR SPITZER COULD LEAD

Our governor could lead a cohort of progressive governors to call on Congress to pass a single payer national healthcare program that would save hundreds of billions of dollars every year for our states and provide comprehensive, less expensive, healthcare for all. During the next Congress, leading into the election and 2009 session, this kind of effort might have a real prospect for success. Certainly, next spring’s session could provide the debate and discussion that is necessary to move us forward. Two state legislatures have

already endorsed H.R. 676 (single payer) Kentucky and New Hampshire... **See attached: information re: the support for single payer in the U.S. Congress and across the nation.**

However, I would urge that, if you decide to go forward with a New York State plan, that you choose the plan that will really solve the problem – single payer, guaranteed healthcare for all.

WHAT IS SINGLE PAYER? -- (See attached summary of the bill, H.R. 676)
<http://www.healthcare-now.org/hr676.html>

There is a growing movement in New York and nationwide for single payer so let me define in the simplest terms what single payer means. Think of a giant pool – the biggest possible pool of people in the country – all 300 billion of us in the same purchasing pool for pharmaceutical drugs and for hospitals and doctors and durable medical equipment. Think about everybody being able to choose their own doctor and to go to any hospital or medical facility of their choice.

Think of hospitals having all of the money they need under global budgets with supplementary funding written into the legislation for emergencies, **plenty of money** in advance budgets paid every year to purchase equipment, pay their staff well, provide emergency rooms that would truly serve emergency needs (since no one would need to go to the emergency room instead of a regular doctor). Think of everybody getting seen when they need to be seen – preventive care instead of waiting and waiting, often until it is way too late to be diagnosed and treated, the current plight of almost 50 million of us.

Think of everyone who needs it getting mental healthcare and what that could do to reduce the suffering of families and individuals. Think of drug and alcohol treatment available to all who need it. Think of long-term care at home or institutionally provided to all who need it. Think of a reduction in the crime rate and gun violence. Think of how the economy would benefit.

Think of businesses and individuals, state budgets and non-profit institutions paying much less than they are now for healthcare – using the money saved from the profits and administrative fees (estimated at \$380 billion per year) in insurance and drug companies to defuse the cost.

These are some of the visions of how a single payer national quality guaranteed healthcare for all would work in the United States and how such systems work in every other advanced nation in the world. **See Attached: “Single Payer Frequently Asked Questions,” from Physicians for a National Health Plan; “Top Reasons for Enacting a Single Payer Healthcare System” from National Nurses Organizing Committee; “The Cost of Healthcare – More Americans Priced Out of Care” from NNOC.**

IT IS ALL ABOUT DEMOCRACY

In the recent film, SiCKO which is challenging people across this country to think about “we” instead of “me,” Michael Moore asks Tony Benn, former Member of Parliament, “How did the British get their national healthcare system that covers everybody?”

Benn responded, “Its about democracy.” And paraphrasing him... After WW II, when our country had been devastated with many months of bombings almost every day at the level of your 9/11 disaster, everything was destroyed. We came out of that war realizing how much we had become a different nation, a people supporting each other with a real sense of “we, the people.” We looked around and questioned why and how we could permanently support such a concept.

There had always been in Britain fine houses and schools and healthcare and benefits for the rich, but we had come out of the war as one people. We wondered as we came to the end of the war, “How can we continue to have this spirit of one people caring about and sharing with each other?” And we decided to provide for free healthcare for all.” That system has had its ups and downs and was severely defunded at one point, almost into oblivion causing a deep reduction in quality. But now the quality has returned. No person in Britain is denied healthcare. Major research is making Britain a leader in the world of medical innovation. No person in Britain worries about how they are going to pay for a healthcare disaster like cancer or a stroke or any of the other devastating illness because no one is denied care. **See Films: “SiCKO” and “Damaged Care.”**

OURS WOULD BE A UNIQUELY AMERICAN SINGLE PAYER SYSTEM

I am not proposing that we adopt a British system. The single payer system that we propose is now a bill in Congress numbered H.R. 676. The United States National Health Insurance Act. It has 77 co-sponsors and thousands of endorsements by organizations and labor unions, faith groups, and hundreds of organizing coalitions nationwide. Also, two former U.S. Surgeons General support it. Medicare is a uniquely U.S. system, and Medicare for All, enhanced and improved to make it really universal would be uniquely American.

We who support single payer are the people who want the people of our country to become “we” again– a country of people who care deeply about each other and about the health of our nation. This bill, H.R. 676, would not be a socialized system. It would leave private doctors in place doing their healing work without having to spend their time filling out claims. It would be publicly funded and privately delivered. We would probably still continue to spend more money per capita than any other country in the world for healthcare, but we would begin to use that money to cover everybody for real healthcare rather than for CEO profits and marketing and administrative waste.

Under this bill, there would be no premiums, deductibles or co-pays. No one would be denied the right to a doctor or a hospital. All healthcare would be covered including dental, optical, mental healthcare, alcohol and substance abuse treatment, physical therapy, long-term care, pharmaceutical drugs for all, and of course coverage for all certified medical care including doctors and nurses and medical facilities.

HOW WOULD WE PAY FOR IT?

How would it be paid for? The easy answer is we are already paying for most of it. We are spending 60% of the money necessary to do this in tax funded state and national institutions now – Medicare, Medicaid, SCHIP, the Veterans programs, the National Institutes of Health, the Centers for Disease Control, and thousands of local community clinics and other programs, many of which would continue to serve our needs..

For example, my daughter-in-law works as a lawyer in one of those kinds of programs – a tax-funded program of the U.S. army- doing major drug research on breast cancer and other life-threatening illnesses. Will the army quit doing medical and pharmaceutical research? Probably not. Do we need to continue paying the drug companies huge premiums for their marketing and profits and alleged research? No, they are not responsible for most of the research now. We pay for it with our taxes.

In addition to the money we are already paying in taxes for all of these programs, we would pay a small payroll tax estimated at 4.7% All of us would pay on a sliding scale – all businesses and all workers based on our income. We would be pre-paying our healthcare costs – real insurance that would cover anyone who is sick or bankrupt or unemployed or disabled now and the rest of us whenever we become sick. Real insurance. Economists say that we would have more than enough money in this system to cover everyone for guaranteed quality healthcare – much better than we get now.

Virtually everybody would be paying less than we are now. There are a few at the very top of the income scale who would be asked to pay a larger income tax and I can guarantee you that none of those people are in this room.

Robert Reich reported on Stephanopoulos last Sunday that only 5% of the people in this country are making more money than before. The rest of us are living in a stagnant economy and often making less money than before. **But in this single payer bill, 95% of us would be paying less – and getting a whole lot more. The other 5%, yes, those same people who are doing extremely well, would also get a healthier economy, a healthy work-force and the other benefits of single payer and they would pay a bit more.**

See: The description and full funding mechanism for this single payer bill in Congress, H.R. 676, attached to this testimony. Or check the web: <http://www.healthcare-now.org/hr676.html>

WHY DO WE NEED SINGLE PAYER? WHY IS IT A NEW YORK ISSUE?

I will defer to the excellent testimony of Mark Dunlea, Associate Director of the Hunger Action Coalition, but here are a couple thoughts.

Why do we need – why must we have a national single-payer healthcare system in this country? It is about democracy. Recovering the sense of wholeness in this nation.

And it is about shortage. Our federal dollars are limited. We need to use them much more wisely. And we need to get back to the concept of equality and justice. We have the money. Are we willing to allow greed and profits to overshadow sharing and brotherhood?

It is about the ever-increasing numbers of people from the medically bankrupt, the working class, the middle class and beyond who are not getting adequate healthcare coverage – even though they are allegedly covered by private insurance, but who will be immediately denied or rejected when they get sick. Our insurance is not really secure because profits are ultimately, the *raison d'être* of insurance companies. They must deny sick people because they would not exist if they paid all of the claims.

Finally, this is about moving toward the benefits of a healthy nation – mentally, physically and financially.

DEPARTURE BY THE DISEASE-FIGHTING CHARITIES, NEW YORK TIMES

There was an encouraging story in Friday's newspaper about the new ads being placed by the National Cancer Society...challenging the consequences of inadequate health coverage. The new American Cancer Society ads carry the message, "recent research links a lack of insurance to delays in detecting malignancies." For one of the big "disease" agencies, most of whom are heavily dependent on grants from insurance companies and big PHARMA to challenge the private insurance system is a big departure.

"Leaders of several such organizations including the American Heart Association, the American Diabetes Association and the Alzheimers Association said they applauded the campaign's message that progress against chronic disease would be halting until the country fixed its healthcare system."

One observer noted that this forced the New York Times to mention single payer as one of the solutions. And that the choices before the American people at this time are two: INDIVIDUAL MANDATES, what she called "YoYO" or "You're on your OWN" versus SINGLE PAYER "AITT," OR "All in this TOGETHER."

That's where we are folks, and the coming 2008 election puts New York and all of us into a strategic position to push forward for the decisions that could provide a 21st Century solution to the healthcare crisis and bring us all together. People are talking about a Super Majority as large as the 1964 majority which made it possible to pass Medicare. Who knows whether that will materialize. Elections are mercurial. You can't

really get a handle on them – certainly not 14 months out from election day. **See “Campaign Finance and Healthcare” attached.**

Many things can change between now and January 2009. But, the time to get ready for the possibility of a great healthcare system is now. What a change it could make for New York State and for our country!

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