

Testimony before the New York State Partnership for Coverage

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Good morning. Thank you for this opportunity to address the issue of health care coverage. My name is Ellen Kennedy, and I serve as the Board President of Citizen Action of New York. Citizen Action is a statewide organization of individuals and organizations, working for social, economic, racial and environmental justice. Last month you heard from Richard Kirsch, Executive Director of Citizen Action, about our commitment to universal health care and our twenty plus years of working towards that at the state and federal levels.

Last week our statewide board unanimously voted to approve eight **Standards for Universal Health Care**. We believe that any proposal to reform our health care system must meet these 8 standards.

1. Everyone should have the choice of a public health plan. Health coverage should be offered through the largest possible groups in order to achieve affordable, quality coverage for the entire population and to share risk fairly. Government should provide the choice for a public coverage plan available to all and act as a watchdog on all plans, to assure that risk is fairly spread among all health care payers and that insurers do not turn people away, raise rates or drop coverage based on a person's health history. Any

Universal Health Care proposal must ensure that **both a public plan and any private health insurance plans** meet these *Standards for Universal Health Care*. It is important to note here that, contrary to some popular misconceptions, our current public plans, most notably Medicare, have much lower administrative costs than any of the private insurance plans.

2. Everyone must have health care system coverage. To assure that all of us who live in New York and the United States have affordable, quality health care coverage, we need a health care system that provides coverage that is open and affordable to all residents of our nation, including immigrants. Access is a **right** for all.

3. Health care must be affordable to the family budget. The cost of health coverage should fit within a family budget, understanding that families with more money will be able to afford more for health coverage. Families should be able to pay for coverage from money they have when payment is due or pay through a deduction at work; tax credits collected at the end of the year don't help pay for a bill that is due every month. Of course, out-of-pocket costs must fit within the family's health budget; it doesn't do any good to lower the cost of a premium if a family can't afford the deductibles or co-payments. There should be no cap on payments for covered services.

4. Health insurance must provide the full range of health benefits to meet people's needs. All health coverage should include a standard for health benefits that covers what people need to keep healthy and to be treated when they are ill. Health care benefits should cover all the care needed by people including preventative services and treatment needed by those with serious and chronic diseases, including parity for mental health treatment. Everyone should get the kind of coverage that people get in a good employee

health plan or that New Yorkers get now through Family Health Plus. We want to be sure that everyone gets the same benefits that you and other government employees have. Remember, if a policy doesn't cover something that's needed, like prescription drugs or treatment for mental health, the family will still need to pay for that care. Capping or cutting a benefit doesn't save money – it just passes the cost on to the family. Decisions about needed medical services must be made by health care professionals, not insurance companies.

5. Our health care system must eliminate racial and ethnic disparities in health

care. People of color are sicker and are more likely to die in our current health care system because of a lack of investment in access, treatment and research in people and communities of color. There is abundant research to support this conclusion. Any plan needs to specify how these disparities will be addressed. We must be sure that we provide equity in health care access, treatment, research and resources to people and communities of color, resulting in real improvement in health and life expectancy.

6. An employer's health cost should be related to an employee's earnings, not based on a per employee basis.

Under our current system, in which the cost of health coverage is per employee and not related to how much an employee earns, health care is a much larger share of compensation for lower-wage workers. Instead, we need to make health care coverage affordable to employees at all wage levels. It makes sense to base the cost of health coverage on an employee's wages, which is what we now do for retirement benefits under Social Security and Medicare. This would also solve another big problem that employers have, unpredictable costs that rise steeply every year. Instead, employers would know that health costs would relate predictably to employee wages.

7. Health care reform needs to make health care more affordable for America with effective cost controls that promote quality. We can control costs without hurting quality. We can dramatically reduce costs for doctors and hospitals if all insurance plans use a standard form for claims. We can cut the cost of prescription drugs in half if we use the government's purchasing power to get lower drug prices. We can improve costs and raise quality with new health information systems and better treatment for chronic diseases. We can reduce the amount of duplication and waste in the system if the public has a role in deciding where money is invested in health care. We can be sure that premiums are used for care – not insurance company administration and excess profit – by regulating insurance loss-ratios and rates.

8. Everyone – families, businesses and government – should join in paying for our American health care system. When we make health care affordable to families, we can ask everyone to pay for health care on a sliding scale. When employers know that they will pay predictable amounts for health coverage, related to their employee's earnings, we can ask every employer to help pay for their employee's coverage. When we control health care costs for American we can use our tax dollars to guarantee affordable quality health care for all Americans. Fairness in funding is key. We all must share in this public good according to our ability to pay.

There are many ways to achieve these eight goals, and there may be several choices of specific policies. We will be evaluating reform proposals based on whether the policies achieve these goals. The bottom line is, will the policies guarantee universal coverage, the full range of health care benefits, and affordability? That is the test!