

Health Care Testimony

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Good afternoon. 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. For twenty plus years we have been working towards universal health care at the state and federal levels.

There are two visions for America. One says that we are on our own. The other says that we are all in this together. Creating a health care system that works for all of us must start with the vision that we are all in this together. The failures of our health care system can't be blamed on any one person or group – on business, or government, or individuals. All of us want the same things. We want health care that is affordable – affordable to our families, our businesses, our local governments and school districts. We want health security – we don't want to worry that losing a job will also mean losing our health care. Or that we won't be able to take advantage of a new job opportunity because we might not get health insurance. We worry that a serious illness could threaten not just our health, but our family's financial health.

Our businesses are concerned that the next hike in health insurance could make it even more difficult to compete. Our school districts are being forced to raise property taxes to pay for skyrocketing health care costs.

We shouldn't be working for the health care system. Our health care system should work for all of us. All of us, families, businesses in partnership with government, must join together to make sure that the lack of health care is not an obstacle to achieving the American dream. We need to work together to make sure we have a health care system that works for all of us, guaranteeing economic and family security, a fair system that provides opportunity for all. Together we can build a health care system that provides quality, affordable health care for every one of us.

The vision that we have a common stake in the health care system is underscored by the analysis that health care is **not** a commodity; it is a public good. It's a public good because access to affordable, quality health care is a human right. It's a public good because we share the air we breathe, the water we drink, the food we eat, the communities we live in. It's a public good because when any one of us is ill and unable to contribute to our society, to work, to learn, to care for family, so many others suffer. Ultimately, we all suffer.

We all have a shared responsibility to reform our health care system. The government's role is to guarantee affordable, comprehensive health care for everyone in New York and it must play a central role in regulating, financing, and providing health coverage.

The statewide Citizen Action board unanimously voted to approve nine **Standards for Universal Health Care**. We believe that any proposal to reform our health care system must meet these 9 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. 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, comprehensive health care coverage, we need a health care system that provides coverage that is open and affordable to all residents of our state, including immigrants.

3. Health care must be affordable to the family budget. The cost of health coverage should fit within a family budgets. People should be asked to pay on a progressive sliding scale, with lower-income families paying a smaller portion of their income than higher income families. 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 include comprehensive benefits to meet people's needs. All health coverage should offer a comprehensive benefit package 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. 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. Coverage should include parity for mental health services. The system should emphasize prevention, including health and nutrition education. 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.

5. Our health care should come before insurance company profits. We need government to act as a watchdog and regulator on all insurance companies. Regulations should create the largest possible groups, and prevent insurers from turning people away, raising rates or dropping coverage based on a person's health history. Insurers should be blocked from wrongly delaying or denying care. Consumers should have strong consumer protections to access needed care and appeal denials of care.

6. Our health care system must eliminate racial and ethnic disparities in health care. People of color are more likely to be uninsured, get sicker, receive poorer quality of care, 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. We must be sure that we provide equity in health care coverage, access, treatment, research and resources to people and communities of color, resulting in real improvement in health outcomes and life expectancy.

7. 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.

8. Health care reform needs to make health care more affordable for New York 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 health care – not insurance company administration and excess profit – by regulating insurance loss-ratios and rates.

9. Everyone – families, businesses and government – should join in paying for a New York health care program. When we make comprehensive 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 New York we can use our tax dollars to guarantee affordable quality health care for all New Yorkers.

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 for any health care reform!