

# **Testimony for Governor Spitzer's Hearing on the "Partnership for Coverage" Initiative - Nov 2, 2007**

My name is Dr. Antonia Cedrone.

I have come to this Hearing to testify about my experiences as a Clinical psychologist in private practice and my experience as the caregiver of my husband, who was totally disabled for several years before he died nine years ago.

As a psychologist, I have worked with patients who have overwhelming fear and anxiety because they cannot access necessary health care. I have seen patients having to choose between medication and food, and other patients with severe, untreated physical pain. All of this because of inadequate health insurance, or no insurance at all. Over these two days of Hearings, you have heard many people eloquently tell of their experiences with the health care system. People are suffering and dying due to failing health care system. I don't believe that I need to say more about that.

With the limited time available to me, I will address two things. First, I will talk about being a caregiver to my disabled husband within this inadequate healthcare system. Next, I will focus on my experience as a Clinical Psychologist in private practice in this age of Managed Care, in which reimbursement for services is flat or declining and care of patients is being compromised so that rich private investors can become richer.

## **Personal Experience**

I'll begin by telling you about my husband, Alan, who died nine years ago of a rare neurological condition called "Progressive Supranuclear Palsy" (PSP). PSP is a disease like Lou Gerick's Disease, which leaves a person completely immobile and dependent. There is no cure for PSP and there is only palliative treatment. Alan was 56 years old in 1993, when he became ill.

His gait and balance became severely impaired, as did his judgment and memory. He could not be left alone, and I had to continue to work to support the household. It was necessary to hire a home health aide to stay with Alan while I was at work. Between Alan and me, we had three separate private health insurance plans. None of them covered the services of a home health aide. The only plan that did provide for a home health aide was Medicaid. We could not afford to pay for private home health aides on my income, so we applied for Alan to obtain Medicaid coverage.

I was advised by a disabilities attorney that my income would disqualify Alan from Medicaid eligibility. Our only option was for me to sign a legal document called a "Spousal Refusal", which stipulated that I refused to contribute to the payment of Alan's medical care. In that case, my income would not be considered in the determination of Alan's eligibility for Medicaid. I signed the document. Alan "spent down" by contributing to the government all but \$550/month of his Social Security and private

pension plans. By doing so, he qualified for and received Medicaid benefits. I lived in fear for those years that Medicaid would rule against us and I would have to give up my jobs to take care of Alan. And then how would I pay our living expenses?

Alan was cared for by a home health aide from 8am to 8pm, which allowed me to hold down two jobs. I took care of Alan from 8pm to 8am. By the time Alan died he was not able to speak or swallow food or make more than a slight movement of his finger to indicate “yes” or “no”. He died after four years at the age of 60, at home, with me.

I am grateful that I was able to care for Alan and that he was able to remain at home

But, Governor Spitzer, in this rich country can we not devise a health care system for the seriously disabled in which a person does not have to be impoverished? And where one does not have to publicly declare a lack of willingness to support a spouse, in order to receive essential services?

### **A Psychologist in Private Practice**

As a psychologist in private practice in New York City, I was shocked recently to learn that, as of July of this year, my reimbursement for a psychotherapy visit was being cut drastically. A managed care organization which I had contracted with, Private Healthcare Systems, Inc. (PHCS) was acquired by another managed care organization, MultiPlan, in October, 2006. As a condition of the acquisition, PHCS agreed to adopt Multiplan’s fee schedule, which was, in my case, 20% lower than the fee schedule of PHCS. I repeat, 20% lower!

On further investigation, I discovered that a few months earlier MultiPlan had been acquired by the Carlyle Group, a multi-billion dollar private investment group. The 20% reduction in my compensation for an office visit was flowing through PHCS, to MultiPlan, to eventually increase the bottom line of The Carlyle Group.

Last month (September 23, 2007) the New York Times featured an expose of how multi-billion dollar private investment groups profit on the backs of nursing home residents. The piece, “At Many Homes, More Profit and Less Nursing”, was the result of analysis of data related to quality of care in nursing homes after they were acquired by private investment groups. They named “The Carlyle Group” as one private investment group that has acquired struggling nursing homes, reduced costs by reducing services, and then resold the (now profitable) home for a quick profit. One way of reducing costs is by reducing the staff. The result of that reduction in nursing care was that nursing home residents experienced everything from a loss of independence in activities of daily living to increases in bedsores and the use of restraints.

The Times quoted a professor from the University of California in San Francisco as saying, “The first thing they do is lay off nurses and other staff that are essential to keeping patients safe.” She went on to express the opinion that “Chains have made a lot of money by cutting nurses, but it’s at the cost of human lives”.

Large private investment groups have bought six of the 10 largest nursing homes in the United States as well as many smaller chains of homes. In the same way, private investment groups undermine health care services delivered in the community by acquiring managed care

organizations that set fees paid to health care providers, and then reducing those fees. The value of the managed care organization is increased as the fees to providers decrease.

If they operate as usual, the Carlyle Group may soon sell MultiPlan at a premium. Many doctors will resign, resulting in a loss of qualified health professionals. Often the quality of care suffers, as do patients. The Carlyle Group describes as its mission “to generate extraordinary returns, while maintaining our good name and the good name of our investors”. They definitely generate extraordinary returns.

## **Recommendations**

I belong to a recently formed grass roots Coalition called “Private Health Insurance Must Go”. The Coalition is made up of over 20 organizations that support a single-payer healthcare model, or “Medicare for All”. As the name of the Coalition indicates, we support a healthcare system which excludes all private health insurance companies. We are clear that private health insurance companies are the main cause of our health care crisis. The profits of those companies are earned by limiting and denying health care services. They gain only when sick people lose. Their profiteering is responsible for drastic increases in health care costs. There is an inherent conflict of interest between the profit-driven private health insurance industry and the quality of care afforded to our citizens.

We recommend that Governor Spitzer create a single-payer health care system that excludes all private health insurance companies. This system would be modeled on the elements of “H.R. 676 (109th): Expanded and Improved Medicare for All Act.”

I would be glad to elaborate on my testimony in writing or in person if that would be helpful. I am here, and will remain here, keeping the spotlight on the gross deficiencies in our health care system and contributing to the reform of the system.

Thank you.