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**Testimony before Hearing on the Partnership for Coverage before the
Department of Health and Department of Insurance
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**Leonard S. Rodberg, PhD
Research Director, NY Metro Chapter, Physicians for a National Health
Program**

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My name is Leonard Rodberg. I am Professor and Chair of the Urban Studies Department at Queens College of the City University of New York. I am also Research Director of the New York Metro Chapter of Physicians for a National Health Program, and I am testifying today in that capacity.

I have long been concerned about the failings and inequities of our health care system. In 1986, my wife and I, along others having similar concerns, founded Physicians for a National Health Program. We felt that private health insurance had reached the end of the road and was no longer capable of sustaining the kind of health care that a modern medical system should be able to provide. A few years later, my wife and I had direct personal evidence of that failure.

My wife was Joanne Lukomnik. Many of you may have known her, since she served as medical director for several community health centers in the New York area and was a consultant on primary care to a number of State and Federal agencies.

In 1994 she was diagnosed with multiple myeloma, a cancer of the bone marrow. We sought treatment at Sloan Kettering Cancer Center and the University of Arkansas, both renowned for their successful treatment of myeloma. They recommended that she have an autologous stem cell transplant. Our insurance company turned it down, claiming it was "experimental."

Joanne proceeded to prepare a detailed letter drawing on the medical literature, showing that this was a well-established procedure that had been used extensively and successfully at centers throughout the United States and France. She sent this to the insurance company, whose medical director called her a few days later. He said that, actually, he didn't know anything about myeloma and just routinely signed the denial letters. He would reverse the denial. (We understood that he left this job soon after this conversation.)

Joanne had her transplant, but the disease returned a few months later. Her doctors recommended a second transplant. The insurance company again denied it. She appealed, and the appeal was denied. Joanne's brother was, at that point, working for the New York City Comptroller, who, at our request, called the

president of the insurance company asking him to intervene in the case. It turned out that he and Joanne had served together on a State advisory committee. His response to the Comptroller was truly astonishing: "If I had known it was Joanne Lukomnik, I would have approved it immediately."

But it was too late. The transplant had been delayed by the denials and appeals, and she died before it could take place, leaving two teenage children and an angry husband. I had witnessed at a personal level what I had previously understood only theoretically.

For-profit health insurance is a corrupt and conflicted enterprise. Their ads say they really care about our health but, as Milton Friedman told them and us, their job is to make money for their shareholders; they are not to be led astray by the claims of social responsibility. Somehow, in the last several decades, we have turned medical decisions over to these profitmaking companies, whose interest is in saving money by denying care, not in preserving life.

We all know that New York State's health care system, like that of the rest of the nation, has serious problems, the large number of uninsured being high among them. But, as I discovered, even those of us who think we are insured find, when we really need it, that the coverage we thought we had really isn't there. Our current system also suffers from continually escalating costs, gross inequities in access, serious deficiencies in primary and preventive care, and vast inefficiencies in the use of health care resources, making our State's health care among the most expensive in the nation, and our nation's the most expensive in the world.

All of this can be traced to our fragmented, inefficient, and wasteful system of financing through multiple private insurance companies. None of these problems will be solved so long as we retain that system.

Faced with the rising cost of health care, the political mainstream, including the Governor, has accepted the goal of "universal health care." However, most mainstream politicians seem to have defined this simply to mean "cover the uninsured." Find some way to get private insurance coverage for everyone. Once everyone is covered, then address these other problems. However, the many problems with our delivery system cannot be solved within our fragmented, uncoordinated multi-payer system. Expanding on a system that is the very source of the problem will make it even more difficult to address these larger issues than it is now.

We have all heard a number of proposals for "universal health care" in recent days. While the details differ, all share the same approach. They recognize that many businesses can no longer afford the cost of health insurance for their employees so they, instead, require that the uninsured themselves go out and buy their own insurance.

This approach cannot work, as the residents of Massachusetts are discovering as they attempt to implement their plan. If the coverage is comprehensive, the plans are unaffordable;

if they are affordable, the coverage is completely inadequate, with large co-pays, deductibles, and out-of-pocket expenses. Subscribing to these plans is, in fact, little better than being uninsured. They are a fraud on those required to buy them. And neither this state, nor the federal government, is prepared to spend the hundreds of billions of dollars in subsidies that would be needed to allow the uninsured, and the poorly insured, to purchase comprehensive coverage.

The truth is that, at today's average family premium nationally of \$12,500, the entire system of private insurance has become unaffordable, even to the middle class. It is incapable both of assuring access for everyone and of stemming the rising cost of care. Further, numerous studies have shown that thirty percent or more of the cost under this system is in unnecessary and duplicative billing, marketing, profit, and administrative costs.

Instead of adding more complexity to a broken system, the new State plan should fix it, and we know how to do it. The only truly realistic way to achieve universal health care is to eliminate the wasteful overhead and the built-in conflicts in a private insurance system, and the equally-wasteful billing expenses borne by physicians and hospitals who have to deal with them, and to move to a single, publicly-administered plan with automatic enrollment. Funding health care in New York State through a single tax-supported public fund, like that embodied in the NY Health legislation put forward first by Assemblyman Gottfried more than fifteen years ago, would not only save billions of dollars but would provide a practical mechanism through which all the other problems of the health care system could finally be addressed.

Instead of moving backwards to a time before there was employer-based insurance, when everyone was on their own to get health care, we should be moving forward to recognize health care as a necessary public good that should be a public responsibility. We should be creating a program modeled on the experience of Medicare, which for more than forty years has provided reliable, cost-effective coverage for millions of Americans. A publicly-administered social insurance program like Medicare provides the only path forward if we want a system that will truly serve the people of this state. It will allow us to have the kind of universal access to comprehensive care that every other advanced country provides, and we would not have to spend any more than we are now. Until all of us, including our political leaders, are willing to discuss such systemic change, we are not really addressing the health care problems we face.