

I am Dennis Nave and I currently serve as President of the Greater Syracuse Labor Council AFL-CIO representing 62 local unions and 40,000 working families in Central New York. Though employed, many workers are either underinsured or totally without insurance when it comes to healthcare. This has put an enormous barrier to healthcare access and has made treating patients increasingly more difficult. I should know, I have been a Family Physician for the past 25 years and have personally witnessed the decline in healthcare access over the past quarter century among working families. Meantime, working families have been made to pay a greater portion of their health insurance premiums that typically increase double-digits every year. That same family pays taxes to support Medicare and Medicaid programs.

That is not to say someone isn't making a lot of money in our current healthcare delivery system. In New York State, health plans reported profits of over \$1 billion in 2005, a 30% increase over their 2004 profit according to reports by the Greater New York Hospital Association and the Healthcare Association of New York State. Since 2001, their profits have increased 93%.

According to Health Department data, nearly 75% of enrollees in New York State managed care plans are in just five HMO's – GHI, United, Excellus, Empire and MVP. Furthermore, each region of New York State is dominated by one or a few

managed care companies. As a result, the managed care industry in New York wields tremendous market power. For example, per Health Department statistics:

CDPHD insured:	76% of HMO enrollees in Albany County
	56% in Schenectady County
	44 % in Broome County
MVP insured:	57% in Ulster County
	45% in Dutchess County
	43% in Oneida County
United insured:	38% in Westchester County
	33% in Nassau County
	30% in New York County
Excellus insured:	71% in Monroe County
	70% in Onondaga County
	53% in Jefferson County
Healthnow insured:	46% in Niagara County
	40% in Erie County

The monopolies held by these companies have enormous public policy implications to physicians and patients. Only one or a few insurers in a region control all of patient's lives, while individual physicians are legally prohibited by federal antitrust laws from acting collectively to negotiate contracts with these health insurance monopolies.

This imbalance means that physicians must sign contracts that are “take it or leave it” without any realistic opportunity to negotiate terms. In other words, physicians must either take the contract with the onerous terms or risk losing access to a large number of patients in the region dominated by the health insurer monopoly. It is the patient, however, that bears the brunt of this inequity as the terms that physicians wish to negotiate directly impact patient care, including the definition of “medical necessity”, internal appeals processes, preauthorization procedures and assignment of benefits provisions. Doctors need to have or retain the ability to be patient advocates. In every industry, including healthcare, corporate greed persists where executives want ever-rising profits, while those doing the work continue to receive less. In the delivery of healthcare, the results are even more devastating as patients are denied diagnostic testing, surgery, therapy, medications and other appropriate treatments, all for the need of health insurance executives to rake in millions and in some cases, billions of dollars.

The pursuit of corporate profit and personal fortune have no place in caregiving. They create enormous waste and warp clinical decision-making. For physicians, the gratifications of healing gives way to anger and alienation in a system that treats sick people as commodities and physicians as their tools. In private practice, we waste countless hours on dealing with a bureaucracy of roadblocks from insurers that ensure their executives’ exorbitant compensation at the expense of working families and the rest of the business community. As a result, working people are being asked to contribute more toward their healthcare, while others have been

priced out of any healthcare at all. The burden on businesses is helping to drive them out of business or to foreign shores as with the auto industry. Physicians, on average, spend two hours each day uncompensated dealing with managed care issues – time taken away from direct patient care. In essence, our healthcare system is in crisis and at the mercy of the new robber-barons of the 21st century – the health insurance CEO.

Today, we have a national healthcare system controlled by a handful of millionaire/billionaire bureaucrats. It is estimated that one-third of healthcare spending by insurers goes to its bureaucrats. One study in the New England Journal of Medicine found healthcare bureaucracy to cost U.S. consumers \$294.3 billion in 1999. By 2003, a study by Public Citizen estimated health insurance executives cost consumers \$399.4 billion annually. Remember Bill McGuire, CEO of United Healthcare, who received \$1.6 billion dollars last year, up from one-half billion dollars the year before? Meantime patients are asked to pay more of the ever-skyrocketing premiums their employers can no longer afford. Copays to specialists and Emergency Rooms have become so high patients do not always seek the care they need. Copays at the pharmacy have risen to the point some patients don't fill all of their prescriptions, leading to more costly health problems later and more time missed from work.

To address this crisis in New York State, the Physician Teamster Alliance was formed, whose members are committed to the restoration of quality medical care based on the principle of treating patients right the first time without corporate

interference. We are currently working with our state legislators to pass a physician collective bargaining act that would level the playing field with health insurance monopolies that have destroyed the doctor-patient relationship. We also support reactivation of a law from 2000 to allow the Superintendent of Insurance to regulate health insurance premiums.

We all know we have our work cut out for us. The health insurance lobbyists in Albany and Washington are well-funded and will do whatever it takes to preserve their strangle-hold and monopoly of the healthcare industry. Our new leadership in Albany must take a more active and responsive role in our healthcare system and join working families and their physicians in taking back the system and use it for its original purpose – to heal the sick, not to further corporate profit.

Thank you for your time today. I remain available for any questions at anytime.

Sincerely,

Dennis J. Nave, M.D.

President

