

**Partner**  
**J I Associates**

***Joslyn Press / Interbook***

***525 East 82 Street***  
***New York, NY 10028 USA***  
***JIAssociates@aol.com***

My name is Jeffrey Gold, and I'm a General Parter at J I Associates, a New York-based firm focused on publishing and new media. I'm here as a small business person, native Long Islander, and part of a growing chorus of small and medium-sized business principals pleased that this Partnership for Coverage has as part of its mandate the exploration of ways to implement an equitable, affordable and universal health system in New York State. A set of reforms that, I hope, would eventually free us to the greatest extent possible from the predations of large, private health insurance companies, their lobbyists, overhead and paperwork requirements, leverage over professionally-trained clinicians and medical institutions, and the frustrations associated with the small group market.

If in fact all the blather about small and medium sized businesses as generators of employment is true, it's more urgent than ever that employment and health coverage be separated, and that small businesses and their employees have an option, at least, to participate in public coverage systems at the state level. There is no market you can make in health care, unlike the competitive markets in which our and other firms operate, where vendors and customers can actually meet on an intelligible field of mostly transparent price signals. Health care is the most obvious example of a public good one could name. Right now thousands of small and medium sized businesses are financing for-profit health insurers, who often turn around and spend our premium money on political campaigns to institutionalize what economists tell us is rent-seeking; extracting a privileged position from the state. Since current health insurance arrangements are structured around rules set by state and Federal governments, I would strongly urge this panel to reject any notions of public programs "crowding out private coverage." Private coverage is crowding itself out very well, thank you, and the 2.8 million New Yorkers without coverage are Exhibit A. The small businesses dropping coverage are Exhibit B, and the free rider problem for small to medium sized businesses trying to do the right thing and maintain coverage for employees is Exhibit C.

This morning Assembly Health Committee Chair Richard N. Gottfried announced a plan called New York Health Plus that goes a long way in solving many of the short-term, and perhaps some of the longer range problems that bedevil us here in New York State. New York Health Plus is what small businesses have been waiting for, opening the playing field a bit for us while strengthening existing public programs in New York, and builds, as the Partnership for Coverage has in its brief, on current arrangements in health coverage.

More and more, small business colleagues—even competitors-- have been contacting me for information about ways to cover their employees. They are having trouble finding small market coverage at a price point they can afford; often when they do secure a policy, there are so many holes in it that even the owners may find out, as has happened to my surprise, that they may not be covered for serious illnesses, or there are caps inadequate to a given disease. Even I discovered that my long time cardiologist had bolted from my own small group insurance plan, *after* I found myself hospitalized this past summer; I had to eat most of the doctor bills, and I'm the plan administrator! How does one measure, to use this little personal example, the disruption

in continuity of care if I was able to find, from my hospital bed, a cardiologist who happened to be on my insurer's panel but never laid eyes or hands on me, after having been seen for years by a qualified clinician of my choosing who just now happened to be out of panel. What about the thousands of times this happens to New Yorkers who don't have a little scratch in the bank to cover such expenses? And why are there now more people in one of my other M.D.'s offices, as I was told, shuffling paper rather than taking blood?

Many dynamic small businesses in electronic publishing, graphic design, software writing, advertising, marketing or commercial research want to attract and provide health coverage for their hard-to-find talent pools. Not all small or medium sized businesses can or want to move operations to low wage platforms overseas, and many innovative service and retail companies want to stay in New York. Many business owners and principals see clearly that a healthy employee is a productive employee; profits are rarely generated from the ill or worried. Many business owners are looking for alternatives, which have and are being constructed in many states including New York, to the Astroturf K Street voice of organized Babbitry such as the N.F.I.B., which also lobbies the L.O.B. with its virtual motto, "You're On Your Own." Tax-phobic lobbies such as that only focus on local, state and federal taxes, conveniently ignoring the private "taxes" we uniquely pay in the U.S. for services rendered by government or quasi-public sick funds in all of our industrialized, and civilized, competitors.

Any small business principal who opposes structured markets in health care delivery in an age of globalization is risking their own bottom line. Health care costs a lot because of the non-preventive nature of our current system, our need for highly trained professionals and fully compensated support staff, and the technological innovations we all expect to be available when our bodies are on the line. Universalizing coverage and allowing small and medium sized businesses—and non-profits I hasten to add, as a director of two—to buy or participate in public systems, is the best way to start down the road of moderating inflation in health care and getting overall costs under control. Any small business principal who opposes the universal principle in health coverage, and brakes on the prerogatives of the private insurance industry, will find themselves ultimately disadvantaged in this globalized economy. While we all wait for the federal Nero to stop fiddling and get to work on a proper national, universal health care system after the 2008 national election, this Partnership for Coverage is to be commended for examining alternatives available to us in New York State. The unacceptable Massachusetts mandate legislation, with low, unsustainable price points and burdensome fees levied on lower income Bay Staters, should not be the model. The Schwartzenicare system in California, while less onerous, also doesn't point New York State back in the direction of social leader—a position lost since the days of FDR. New York Health Plus seems to point the way towards practical solutions.

Any business owner against a right to health care is endangering his or her own health, and that of their families. Universal health coverage is a cornerstone of the biological continuum, and we are all truly in this together—and shouldn't all be consigned to little, expensive risk pools here and there while New York State could cover—or allow an option to cover—all 19 plus million of its citizens. Insurers can sell us casualty, fire, automobile or even pet insurance, and make pots of money. They shouldn't be allowed to run, or virtually run, our health system, or get away in Albany with claims of "patients with too little skin in the game," when we are all paying more co-pays, subject to higher deductibles, and inundated with either selective pitches for idiotic disease-specific plans, or Health Savings Accounts designed to further stratify risk pools and separate young and old, affluent and less well fixed.

Let's get back to business, and insure that New York businesses have better things to do with scarce time and money than throw it down a money pit of insurance profits. Let's not crowd out our small capital streams with unnecessary expenses directed to insurance premiums that could be productively used for innovation. Let's insure all New Yorkers, and start with New York Health Plus. It's good business.