

NYS Budget Hearing Testimony – MHM budget

My name is Henry Garrido, the Executive Director of District Council 37, the largest public employee union in the City of New York. I represent over 150,000 active members and 50,000 retirees in 63 locals. I represent the hardest-working and often lowest paid public employees in a broad range of job titles from parks workers to clericals, from school crossing guards to CUNY adjuncts, from architects to health inspectors and court stenographers. Our members are not just individuals who work for New York City, they and their families also utilize the public housing, the education, the healthcare, the parks, and other qualities of life that make New York unique.

I am testifying today about the rising costs of hospitals and its impact on our union members. I am not criticizing the doctors, nurses, and over 18,000 DC 37 members who work in our NYC public hospital system. Nor am I criticizing their families and neighbors who rely on the hospital system for their emergency, specialty care and even some primary care. My members have spent much of the last 20 years making the public hospital system in NYC more efficient and accountable to its public funding sources, and begging for enough money provide responsible care to the uninsured, underinsured and Medicaid patients. Our public sector members are among the last employees in the United States to have no premium cost health insurance available. This significant benefit to total compensation has come at the cost of wage increases for our members, as we try to keep up with the escalating costs of health insurance.

Meanwhile, these private hospitals continue to receive public funding despite prioritizing profits over patients.

I am specifically focusing on the hospitals that operate like big corporations with multimillion dollar CEOs, stockholders and annual profit reports and dividends. The hospitals that embrace corporate greed and engage in price gouging – but continue to receive public dollars! Studies show that some hospitals charge *multiple times more* for the same procedures without any evidence that the

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health outcomes are better than the more affordable hospitals. We are all aware of the skyrocketing cost of prescription drugs and how other countries, like Canada, have much lower prices. In addition, hospitals have begun to use of surprise billing for myriad hospital costs for which the hospital systems are billing their patients. If the patients don't pay, the hospital sells the debt to collection companies that sue the patients for those costs!

The rising costs and irresponsible spending imbedded in the hospital systems have become untenable for everyone involved. Our members and their families have no control over these costs. They can buy generic prescriptions, but that doesn't solve the underlying issues. As far as hospital costs, a patient usually follows their doctor or the specialist to the hospital that the doctor is affiliated with. If you go to the nearest ER in an emergency, a patient will be treated by whomever is present, whether that doctor participates in the patient's insurance or not. The State needs to establish some standardization in the cost of hospital procedures. The State needs to audit spending of any private hospital that receives public dollars to ensure that those resources are used for their public purpose. The State needs to increase its enforcement of price gouging and find new ways to incentivize the advancement of new medical technologies without extracting the dollars from the patients they serve.

In closing, I would like to thank the Governor for FY 2023 proposed Executive Budget - it is certainly a good start in stabilizing the public hospital system. We are finally seeing proposals that enhance and support the NYS health care system rather than cut beds and erode funds. We are encouraged to see proposals that address retention pay for workers who suffered and yet persevered during the pandemic. The loosening of the Global Medicaid cap by changing the methodology will allow more flexibility and more closely reflect actual Medicaid spending. The restoration of the 1.5% cut as well as an additional 1% to the Medicaid rates is good news for providers, but does not go far enough to truly compensate them for their services. We must balance these proposals with a strong rein on the private hospital systems through audit, regulation and claw backs.

<https://www.harvardmagazine.com/2020/05/feature-forum-costliest-health-care>

Thank you,

Henry Garrido
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District Council 37, AFSCME, AFL-CIO