

# **PASS THE NEW YORK HEALTH ACT WITH THE 2026-27 STATE BUDGET**

Written Testimony for  
**Physicians for a National Health Program - NY Metro Chapter**  
Submitted to  
**Joint Legislative Budget Hearing on Health/Medicaid**  
Senate Finance Committee Chair Liz Krueger,  
Assembly Ways and Means Committee Chair J. Gary Pretlow,  
and Members of the Legislature  
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The New York Health Act – A.1466 (Paulin), S.3425 (Rivera) – will do more to save money and promote affordability for individuals, employees, employers, health care providers, taxpayers, and state and local governments than any bill before the New York Legislature, as well as dramatically improving access to health care.

As a physician, nearly every encounter I have with a patient is tainted by fears of cost from the health insurance industry. One that I remember well was a young woman who came to see me because she had broken her finger. I didn't need an X-ray to see that her pinky was sticking out at an unnatural angle. What the X-ray revealed, however, was her fear of seeking healthcare: she had broken the bone 5 weeks earlier and avoided care for fear of cost. The bone had started to heal incorrectly, and she required a more painful and costly surgery to rebreak and correctly set her broken finger than she would have had she sought care immediately.

Every day patients just like her suffer needlessly within the current system that is cruel, wasteful and inefficient, costing us our health, lives, and billions of dollars that could be saved through the New York Health Act.

The great savings generated by the New York Health Act will fill the gaps and overcome the obstacles to care in the current system, and will fill the massive gaps resulting from the federal health care cuts by reclaiming the tens of billions that are now wasted every year in New York – money now spent on insurance corporation bureaucracy, marketing, executive salaries and profit; health care provider resources to fight with insurance corporations; and excessive drug prices. Money that can and should be in New Yorkers' pockets or spent on real health care.

It is the only way to fill those gaps without cutting other services or increasing costs for New Yorkers.

The New York Health Act will not take funding from any other part of the state budget. The funds needed will be generated by the tens of billions in savings and by a separate progressively-graduated tax. Thanks to these savings and a tax based on ability to pay, 90-95% of New Yorkers will spend less in New York Health Act tax than they now spend on health coverage and care.

For a detailed analysis of the New York Health Act savings, cost, and financing, see “Updated Analysis of the Economics of the New York Health Act,” by Leonard Rodberg ([drive.google.com/file/d/1pEoCuSJdXILjCIHAKqI2It02CdUWs7nG/view?usp=sharing](https://drive.google.com/file/d/1pEoCuSJdXILjCIHAKqI2It02CdUWs7nG/view?usp=sharing)).

The New York Health Act will cover every New York resident with far more comprehensive benefits than any public or private health plan today. It is the only practical way to fill the gaps in the current health care system and the gaps being created by federal cuts. And it does not require federal cooperation or approval.

### **Summary of the New York Health Act (NYHA)**

The NYHA has no premiums, deductibles, copays, restricted provider networks or drug formularies, out-of-network charges or prior approval for health care.

Patients have real choice: You and the doctors, hospitals and other health care providers you choose will make decisions, and they will provide the care. New York Health will pay the bill.

It covers: primary, preventive, specialists, hospital, mental health, reproductive health care, dental, vision, hearing, prescription drugs, lab tests, medical supplies and devices, and long-term care (home care, nursing home care) – far more comprehensive than any health plan we know of.

It is funded by a progressively graduated tax – based on ability to pay – on New York-taxable income from employment, capital gains, interest, dividends, etc. Employers would pay at least 80% of the payroll tax (or more if they choose to or through collective bargaining). Income in lower brackets would be taxed at lower rates (the first \$25,000 of a person’s income, or \$50,000 for people on Medicare would be exempt from the tax), and income in higher brackets would be taxed at a higher rate. That’s just fair.

NYHA cuts costs for seniors by picking up Medicare Part B premiums and eliminating Medicare “cost-sharing.”

Almost every family will spend less in New York Health taxes than they now spend for premiums, deductibles, copays, out-of-network charges, out-of-pocket costs from unfair denials of coverage, and care that isn’t covered.

The NYHA net savings are key. We’ll save about \$60 billion a year: Getting rid of insurance corporation bureaucracy, marketing, executive salaries and profits (save over \$26 billion a year); cutting what doctors, hospitals and other providers spend for the administrative costs of fighting with insurance corporations (about \$20 billion a year); and cutting drug prices over \$13 billion, using the bargaining power of 20 million consumers. There will be increased payments – covering the uninsured; ending deductibles, co-pays and out-of-network charges; covering long-term home care and nursing home care; paying health care providers more than Medicare or Medicaid pay – will cost about \$40 billion. That’s an annual net savings of about \$20 billion for New York consumers, employees, employers, health care providers, and state and local governments.

Being universal is key. The Governor, members of the Legislature, their family members and friends will all be covered by NY Health. They’ll have a personal stake in

making sure that they and their doctors and hospitals are treated as well as can be. All 20 million of us, and all our health care providers, will benefit by being covered by that plan.

It brings local tax relief by eliminating the “local share” of Medicaid.

Capacity to serve patients will be substantially improved: physicians, hospitals and others will spend dramatically less money and time on dealing with insurance corporation bureaucracy (including no longer dealing with prior authorization for health care). Their revenue will increase because NYHA will supplement what Medicare and Medicaid now pay, and patients who can't or don't pay for their care will be a thing of the past. This means more money and time to devote to patient care.

Care coordination and retrospective utilization review (Insurance Law Art. 49) will help assure appropriate care.

### **Filling the gaps from federal health cuts**

The Washington cuts to Medicare, Medicaid and other programs mean health care for all of us – rich or poor – will be endangered. When a hospital loses Medicare or Medicaid funding, or if more patients can't pay their bills, the hospital is forced to cut back on personnel. Even the wealthiest patient arriving with a heart attack will get care that is stretched thinner and be more likely to die.

Gov. Hochul estimates the federal cuts will take \$13 billion a year from New York.

**We can fill the gap by raising state taxes or cutting other programs. But there's a better way:**

The NY Health Act would fill the existing gaps in our current inequitable health care funding and the new gaps created by Washington.

The NYHA will save billions more than the Trump cuts will take away.

The NYHA will pick up about \$40 billion a year in New Yorkers' costs: covering the uninsured; eliminating premiums, deductibles, co-pays and out-of-network charges; filling coverage gaps; raising payment levels above Medicare and Medicaid levels; and covering long-term home care and nursing home care.

It will save New Yorkers about \$60 billion every year by ending paying for health insurance corporation bureaucracy, marketing, executive salaries and profit; slashing provider administrative costs; and using its bargaining clout to bring down drug prices.

That's net savings of about \$20 billion a year.

If we don't pass the NYHA – and continue to throw away \$60 billion a year – then we'll have to find \$13 billion a year by raising taxes or cutting other important spending.

**But if we pass the NYHA, we can use \$13 billion of the NYHA savings to fill the federal gaps.**

It will be funded by a graduated tax on income, based on ability to pay. That's figured into the \$20 billion net savings.

**Federal cooperation or approval is not required**

The New York Health Act does not require federal cooperation, approval, or “waivers” to work.

Federal “waivers” would make it simpler to implement NYH. If NYH is to operate as a completely “single-payer” program for New York, it would have to absorb Medicare and Medicaid (including the funds the federal government would have spent on those programs within New York). That would, of course, require major federal actions and would be simpler for Washington, New York, and New Yorkers.

For example, the federal government could send New York a monthly payment for what it would spend on Medicare and Medicaid benefits in New York, have New York deposit that in the NYH trust fund, and NY would administer NYH as a single program.

Even with no federal cooperation, NYH can operate as a “wrap-around” to federal programs. NYH will fill the gaps where Medicare or Medicaid do not cover services or people, or where Medicare or Medicaid payment rates do not cover the true cost of care, and where Medicare requires patients to pay part of the cost of a service (deductibles, co-pays), etc. With modern computer systems, this can work for patients and providers as if it were a single program.

Under any of these arrangements, federal Medicare and Medicaid funds would continue to come into the New York health care system. With or without federal cooperation, every NY enrollee in Medicare or Medicaid, and their health care providers, will receive full NYH benefits on top of the benefits and rights of those programs. This is a long-established practice. New York Medicaid has always covered categories of people and services that are not covered by Federal matching money. Without federal matching, New York Medicaid has covered childless adults and many categories of immigrants. Federal Medicaid money may not be used to pay for abortion, but New York Medicaid pays for abortion with state funds. New York created our elder pharmaceutical program long before Medicare did, and it still fills the gaps in Medicare Part D. NYH will fill gaps in federal programs – including supplementing inadequate payment levels, picking up the cost of deductibles and co-pays etc. – without needing Washington’s permission.

Under Medicare, New York and many other states pick up the cost of deductibles and other out-of-pocket costs for people below a particular income level. There is no federal limit on a state doing that, as long as the state provides the funding, as NY Health would do.

As a retired Assembly Member, my state retiree health benefit automatically supplements what Medicare pays for my health care. The NYHA would do that for all Medicare enrollees in New York.

The NYHA provisions accommodate all these various scenarios.

Thank you for receiving this testimony. If you have any questions or require further information about the NYHA, please contact: Morgan Moore, Executive Director of PNHP NY Metro, [morgan@pnhpnymetro.org](mailto:morgan@pnhpnymetro.org) 347-200-2396.

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