



New York State Public Employee Conference
~ *Major Concerns in Opposition* ~
Single-Payer Health Care
The “New York Health act”
Senate Bill 5474 (Senator Rivera)
Assembly Bill 6058 (Assemblyman Gottfried)

Actual Cost

The paramount issue is that the bill sponsors refuse to disclose what the **actual cost** will be, because they simply do not know it. However, we know that the cost will be in excess of one hundred billion dollars in the first year alone. The proposed legislation, if enacted, will be paid for by a progressive payroll tax on those making more than \$25,000 per year. For employed persons, the employer will pay 80% of the tax, and the employee will pay 20%. Many union members pay less than 20% of the cost of their health care. The bill does not mandate that this practice continue. In fact, Assemblyman Gottfried dismisses such concerns and says unions should have no trouble negotiating lower rates. There will also be a non-payroll tax on the self-employed and on income such as, but not limited to, dividends, interest and capital gains.

Payroll Taxes

The income brackets for the **payroll taxes** will be determined after the bill is enacted into law. Current health insurance plans are the result of decades of collective bargaining. Many times, unions have taken less in salary increases and other benefits to improve or maintain their health plans. This bill will nullify all negotiated health insurance provisions ensuring years of litigation over impairment of contract issues. This bill will completely supplant and replace all existing health insurance benefits currently found in collective bargaining agreements. Unions will no longer be able to bargain for health benefits.

Retirees Coverage

The section applicable to retirees makes no sense. It states that, for **retirees living out of state**, the appropriate “retirement system” shall maintain their retiree health benefits. The fact is no one receives their health benefits from a retirement system. Additionally, there is no explanation about how **retiree health benefits** would work.

Myriad Assumptions

The Rand Corporation compiled a report on the original bill. Since the bill sponsors refuse to discuss the cost (because they do not know what it is!), Rand was compelled to make numerous

assumptions, most of which are dubious, because of the anticipated high costs of implementation. Here are some of these **assumptions**:

- no employers would leave the state
- no high wage earners would leave the state
- 2% job growth, but did not account for the loss of jobs in the insurance industry, which will be virtually eliminated in the state

Further, the report did not discuss **long-term health care**, because it was not included in the original bill. However, the current version has included it, which will increase the cost by 18-22 billion dollars annually. Finally, the report did not account for the influx of people who will move into our state in order to obtain the benefits of the only single-payer plan in the entire country.

Benefit Loss

This bill will eliminate benefits in union contracts that provide that if both spouses work for employers who provide health insurance one of them foregoes the plan from their employer, and splits the savings with the employer. This bill eliminates the savings to the one employee who now benefits, and mandates the employer pay the full payroll tax.

Penalize All to Provide for Few

Currently, **just approximately 5% of New Yorkers don't have, or have access to, health coverage**. Why not devise a way to cover those folks without putting an unknown financial burden on the rest of us?

Numerous Unknown Components

Our members depend on us to protect their benefits. The sponsors of this bill are asking us to abandon our current coverage for a completely **unknown system** with **unknown costs** and **unknown future increases**. This proposed legislation requires a leap of faith that the overwhelming majority of union members simply do not want us to take.

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