

NYS Department of Health

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Remarks of Matt Funciello Small Business Owner Rock Hill Bakehouse
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Greetings, everyone. My name is Matt Funciello and I am here today on behalf of New York's small business owners and workers. For those who are not already aware, I own and run Rock Hill Bakehouse, a small wholesale bread bakery in Moreau, N.Y. We have about 40 employees.

The Empire State's website steers new business owners to some answers about health coverage for their workers. It recommends looking at programs such as Child Health Plus and Healthy New York. It says to consult with the NFIB, The Business Council of New York State, The Retail Council of New York State and the NYS Chamber of Commerce. With all due respect, these entities do not represent me, nor do they represent the majority of small business in New York State. Neither is it their responsibility to provide or suggest health care, affordable or otherwise, for small business employers and workers. I believe this is the duty of the federal government. This, of course, means that the burden of responsibility actually falls to our state government. So, here we are today to talk to our state. Lets hope that its listening.

Like most small business owners, I want the best for my employees. I want to do well, myself, but I also want them to do well. As any intelligent person will tell you, these desires are, by no means, mutually exclusive. People will often tell me that I am an exception in that regard. I strongly and absolutely disagree. Most small businesspeople I know care very deeply about their workers. We are just frustrated and embattled. Taxes, fees, inspections, forms, penalties, loans, regulations, certifications, paperwork. All of this has to be dealt with on top of running one's business. We are tasked with finding a way to pay fair wages and with providing health care coverage for our employees. This is simply not possible under the current system.

Ironically, we are also tasked with paying for the state-run health plans that many small business workers simply aren't poor enough to join! So, we can't afford exorbitantly priced HMO coverage but our government is more than

happy to demand that we pay for the health care plans they've set up to help the working poor. These plans are primarily for those stuck working at fast food franchises and big box retailers where workers are paid very little for their labor.

Let me make something absolutely clear. My complaint is never about being asked to help those who need help. My complaint is that it is no accident that a big box worker is paid so little that they qualify for food stamps and state-subsidized health care. It is by design. And because of that design, I and many other small business taxpayers are footing the bill for the underpaid workers of some of the most profitable corporations around while our own workers can't afford coverage.

This knowledge of the “upside down pyramid” leaves many small business people feeling embittered, especially knowing that the answers are right in front of our faces. Our elected officials simply have to muster up enough political backbone to do what is right.

When it comes to health care there are three basic roads a small business can currently take. The first, we'll call the “Tough Love Road”. We simply tell our workers the truth. No one in this country (with the noted exception of some elected officials) is able to afford reasonable and effective health benefits, so why should we be any different? Get your own health insurance. We can't afford to help you out. Sink or swim. Dog eat dog. We'll help you wade through paperwork and we'll garnish your check as required by law but ... thats it, man! Sorry. This, sadly, is the road chosen by many small businesses.

The second road is called the “Big Box Road”. This involves emulating the corporate strategy of paying your workers just the right amount so that they are classified as working poor and are therefore eligible for food stamps and state-run health care.

So, Road #1 is Tough Love. No one can afford health care. You're on your own. Road #2 is the Big Box Road. Pay your workers little enough that they are eligible for taxpayer funded benefits.

Lets just say for a moment, that plans 1 & 2 just don't work for me. Lets say I'm just not mean enough to deny my workers benefits I know they desperately need. Lets say that I suffer from the twin maladies of dignity and conscience which prevent me from behaving like corporate America, crying

poor while passing the hat around to pay for my own workers' benefits. What do I do? What is Road #3 for me?

Well, Road #3 for me is to bite the bullet and offer up the services of our friendly neighborhood HMO. The result? Most of our employees choose not to donate their hard-earned resource to the health care industry at all because luxuries like transportation, housing and shelter keep getting in the way. While there is certainly some money left at the end of each pay period, it is certainly not enough to fund a family's health care needs. Many of my employees who elect to take coverage have to wonder if paying far too much for far too little is really all that much better than living without the coverage in the first place.

The average annual cost for bad HMO coverage for the family of one of my workers is \$10,685.16. When you figure in the co-pays, the prescriptions, medical billing firms' obvious policy of double-billing and the HMOs' regular refusal to pay for services rendered, we might just as well round it up to an even \$12,000 a year. That's \$1,000 a month or \$230 dollars every single week. That's what it actually amounts to. Now, \$230 dollars a week for someone who works as a skilled laborer in the food business is simply not "affordable" coverage.

When one of my workers asks me about health insurance for them or their family, I have been known to cringe because I know that what they are really asking me, in effect, is to find a way to come up with that extra \$12,000 dollars. With 40 employees, many of whom have families, full coverage for all of my employees would cost us in the hundreds of thousands, annually! In case there was any question in anyone's mind about whether or not a small business can afford to absorb that cost, the answer is NO, we just don't have that kind of money "kicking around".

How dare our government put small business in the middle of this nightmare? I suspect it's largely because our elected officials depend on corporate campaign donations, many of which come from HMO's and pharmaceutical companies. I imagine those would likely stop if these officials showed some real backbone and threatened to level the health care playing field. I also think that elected officials have trouble seeing the problem for what it is when they have such great health care themselves. I don't think that any elected official in this country should have state-funded health benefits until everyone else living here has them first. Leaving small

business to take on this Herculean problem is not the right answer. Its cowardly and unfair and we all know it.

I spent about 15 years living in Canada and I still have relatives who live there. While a landed immigrant in Canada, I was covered by OHIP, the Ontario Health Insurance Plan. Simply put, everyone in Canada is paying for their health care when they pay their taxes and as a result every single Canadian has free health care. There are no co-pays or denials, no paperwork to fill out when you visit the doctor. "How can this be?" my fellow Americans ask me. "How is this even possible? Gosh, those poor Canadians must be taxed to death."

We need to be honest. Canadians are not taxed to death. In fact, according to Dr. Stef Woolhandler, of the Harvard Medical School, Americans are paying 83% more for their health care than Canadians do. 83%!! Also, I can't speak for all Canadians but the ones I know pay comparable income taxes to what we pay. Unlike us, they aren't saddled with crippling \$230 a week premiums in order to protect their families, either!

"Well, what about denial of care? We've heard that Canadians have to wait for years to get an operation." That is just more propaganda designed to make us think that their system is flawed. If you really want to know the truth, just ask any Canadian if they are willing to switch Health Care systems with you. When you find one who is, let me know. I've got a bridge for sale ...

I will admit that a friend of mine did break his foot in about 6 different places in a dirtbike accident once and when he got to the hospital, they put him in a cast and sent him out to walk with crutches on his badly broken foot without pins or an operation. Three months later, doctors at a more competent facility operated to fuse his broken bones allwoing him to walk again but poorly. He is a plumber and he works with his son. It is not a small thing that he can't walk properly. It is his livelihood their incompetence has threatened.

I also know someone whose daughter needed to be shipped from one hospital to another with a kidney problem. Her HMO authorized it verbally and then later refused to pay it. The family was alter billed \$1800 dollars by the ambulance service.

I know a women who was in a car accident and had multiple hairline fractures in both legs. They told her she was fine based on her x-rays, refused to keep her overnight and gave her pain meds to bring home. They told her that she just needed to walk around as much as possible to help the healing.

These three things all happened in New York State, not in Canada. Does that surprise anyone here?

My mother lives in Canada. She received a Cochlear Implant several months ago, a procedure which costs about \$65,000 dollar, at 65 years of age. There was no charge at all, no co-pay and free therapy without a scrap of paperwork filled out. Meanwhile in NY, a friend just told me yesterday of her grandfather's plight. He was refused a Cochlear implant because his health coverage stated that it was "an unnecessary procedure unlikely to improve his quality of life." Why didn't he get to make that decision for himself as my mother did?

I have never heard of or seen anyone ever being denied care in a Canadian hospital. Ever. These are outright lies being told so that we will feel that our own problem here is hopeless. It really is not hopeless at all ... unless we think that some giant conscienceless corporations bent on subjugating the entire human race have taken over our country and are running our health care system ... Well, maybe we better move along.

I know firsthand that the level of service provided in Canadian hospitals and medical facilities is just fine. In process of fact, I think its better than ours. It's a fact that Canadians live longer than we do. Why then do we believe the propaganda handed to us by the corporate media and the corporate health care system? If there are no crippling taxes and its cheaper in cost and there are no ridiculous denials and long waits for service why didn't we know about a system like this earlier? Why don't we already have this kind of health care?

Simply put, its because we are regularly misled by the media and by so-called industry experts who have an axe to grind selling us lies about the Canadian system and other systems like it. This disinformation campaign has been used to justify the insane waste and needless profit inherent to our own system.

I know that we Americans are loathe to admit that anyone can do something better than we can. Well, let me say it right here, Canadians (and according to the World Health Organization, at least 36 other industrialized nations) are kicking our butts at health care and they've all done it by removing profit and waste from the equation. They have recognized that the waste, fraud and excess inherent to our health care industry is immoral. They feel sorry for us.

Lets talk about what IS possible and how we can move forward. We all know the federal government is never going to change anything as long as there is no catalyst to foment that change, SO, New York State can, and must, be that catalyst when it comes to health care. Governor Spitzer has promised us a new day with justice and liberty for all and what better way to prove that he means it than to resolve the biggest problem we have as citizens of the state?

I come here today with a simple answer. Providing health care for everyone does not require any special fiscal tools or slights of hand. It only requires the strength of will and the good sense to know that providing health care for everyone is essential in a civilized nation. Attaining this goal will only require that our elected officials actually represent the PEOPLE'S will instead of the will of their corporate campaign donors.

Some great basic groundwork for funding has already been provided by the PNHP (Physicians for a National Health Plan). These people have spelled out the nuts and bolts of current waste and excess and have suggested how we might re-channel our resource to fully fund a single-payer health care system in our state and in our country. We simply need to implement their proposals. It is truly that simple, regardless of what the naysayers and the self-interested may predict. It will work. I've personally seen it work.

PNHP's Single-Payer system funds health care by using what is already being misused. Their proposal takes what is already being spent on health care and simply reapportions it so that everyone is covered. To understand this, one needs to know that we are currently spending \$2 TRILLION dollars a year on health care and we have 45 million uninsured. Thats \$6,600 per person and that's about 2-3 times what any of the 36 nations who have real health care are spending per capita and these systems all insure EVERYONE inside their borders. We are ALREADY spending far more than enough to cover everyone - It just doesn't make any sense that so many are uncovered or are covered so poorly!

If we followed the Canadian example, they spend about half of what we do and live several years longer than we do, where would be the harm? Talk about win/win! Why not emulate a system that's been working so well for over 35 years?

In closing, I would ask that as we craft answers to this problem, let's leave special interests and their profit motive at the door. They should have had no place in this discussion all along. Instead, theirs are the only voices anyone has been listening to. They should be unwelcome in any serious discussion on health care reform. They are the ones who brought us to where we are today. Thank you.