

## Testimony of Kevin Rocap

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Comments to the Partnership for Coverage Public Hearing, Nov 2, 2007:

Good Afternoon. I'd like to thank the Governor and the Commission for this opportunity to speak about this critical issue. My name is Kevin Rocap and I am speaking today for myself, as a concerned citizen, and also, more importantly, as a representative of the recently formed Private Health Insurance Must Go! Coalition. The Private Health Insurance Must Go! Coalition is made up of approximately 30 organizations (that number is a moving target as we continue to get new affiliating organizations) as well as hundreds of active individuals who all support National Single-Payer Healthcare and the elimination of profiteering private health insurance. We are one of many Coalitions that have formed and continue to form nationally to work for a National Single-Payer solution to our national healthcare crisis (many inspired by or finding at least finding a rallying point in the "Sicko" movie phenomenon). You have had (or will have) the benefit of hearing testimony Wednesday and today from key members of our Coalition, such as Healthcare-NOW, the Physicians for a National Health Program, Latinos for National Health Insurance and the National Conference of Black Lawyers to name just a few. In our Coalition we are employed, unemployed, retired, privately insured and not, nurses, doctors, lawyers, activists, educators, union members, business-owners, differently-abled, healthy, sick, racially diverse and united for a National Single-Payer Program as outlined in Congressional bill HR 676. You are as likely to find us marching and rallying for Single-Payer as you are to see us engaged in legislative advocacy, public policy research, and public information sharing. We are well-informed and passionate in our support for a Single-Payer Solution. For a list of organizational members and more information visit: <http://phimg.org>. I will briefly outline the broad points of consensus or agreement within our Coalition, give you a bit more information about myself and how I come to these issues, share key relevant data and information that may help you in your work and then leave you with some specific State level recommendations.

Our Coalition has formed around the following broad points of agreement:

- (1) *Healthcare nationally is in crisis*, with 47 million Americans uninsured and millions more underinsured while others are routinely denied the medical services and/or they desperately need by private health insurance companies concerned about their for-profit bottomline. A recent New York Times/CBS poll found that 9 out of 10 people believe the healthcare system needs "to be completely rebuilt." It is estimated that over 18,000 Americans have died annually in recent years because of lack of access to quality medical care. We feel we must acknowledge that we are here today because the healthcare crisis in the U.S. is at a state of emergency.

- (2) *Healthcare is a Right, not a privilege.*
- (3) *This is a national problem requiring a National Single-Payer Solution* (I realize we are talking about New York State today, so I will come to that). *We see the best current National Single-Payer option to be that described in HR 676*, a bill currently before the U.S. Congress, introduced by Rep, John Conyers of Michigan and with multiple co-sponsors. In this Single-Payer system the government becomes the “single-payer” of nonprofit healthcare services nationally without the “middleman” control or profit of private health insurance companies.
- (4) *Private Health Insurance Must Go.* Private health insurance is part of the problem, not part of the solution. Members of this very panel rightly challenged on Wednesday whether it would be likely, without New York State regulations, including guaranteed health insurance and Community Ratings, that people who are young or old, vulnerable or sick, or who simply are not a so-called healthy HIV- 39 year old male, would actually get meaningful access to health insurance if the decisions were left to the private health insurers. Ironically, the Aetna representative who spoke on Wednesday made a strong, if unwitting, argument for a Single-Payer system in his call for strategies to broaden the “risk pool”. What better way to sufficiently broaden the “risk-pool” than by ensuring that everyone is insured under one Single-Payer system? We’ve also heard over the last two days of hearings compelling and often upsetting stories of private health insurance denials, delays and/or red tape, some resulting in death. These can be added to thousands more that are emerging more and more each day as people begin to feel emboldened to speak out. One woman who signed a petition of Coalition-member Healthcare-NOW wrote: “My husband and I both work, but we can only afford health insurance for one of us (my husband) and that coverage is only catastrophic as it is all we can afford.” And it is clear that even having health insurance, with bureaucratic decisions influenced by for-profit agendas, does not guarantee actually getting needed healthcare.
- (5) This leads to our fifth point. We feel adamantly that the *focus needs to be on Universal **Healthcare**, not Universal Health Insurance.* These can, unfortunately, be two very distinct things. A National Single-Payer System will guarantee people access to Healthcare, not merely provide them with insurance that may or may not ultimately honor their legitimate need for healthcare and prescription drugs.

I would like to briefly say a few words about how I come to this issue. My masters and doctoral work are in education, while professionally I’ve focused more broadly on equitable, comprehensive and systemic approaches to advancing the well-being of children, youth and families with an emphasis on traditionally underserved communities (e.g., low-income communities of color, linguistically diverse communities, neglected communities). For ten years, for example, as the Director of Program and Development at the university-based Center for Language Minority Education and Research I worked to help develop and bring over 23 million dollars into on-the-ground program efforts to improve and reform formal and informal educational opportunities for underserved learners; to develop and implement diversity-responsive school-based and school-linked, health, social and educational services; and to work with diverse community leaders and

community-based organizations as well as local, state and federal agencies to otherwise address educational, opportunity and even digital divides. A fundamental focus of my own over the years has been in the arena of anti-racist, social-justice-oriented education and organizational development. So I bring something of a systems perspective to the issue, as well as some specialized understanding of the strengths, needs and challenges of language minority children, youth and families (especially immigrant families, whether documented or undocumented).

And I feel I have good reasons to be doubly appalled by our current, broken private health insurance-driven system. While several people have stepped forward to share their personal and compelling health horror stories, I can step forward from a different direction as a relatively privileged participant in the current non-system. I am a (currently) healthy white male, with ample private health insurance, who has arguably been an underutilizer of healthcare services. I've had very occasional check-ups, maybe 2 or 3 visits to the doctor for the flu over the last twenty or more years. I know I'm not alone. So I have to wonder with all of the money available to insurers from people like myself who have been paying into the system and using it minimally what the justification can be for the kinds of denials, delays and bureaucratic red-tape we hear about daily through personal stories and the media? My presence in the system contributes to the kind of "risk pool" the Aetna representative on Wednesday says is needed, but to what effect if denials, delays and bureaucratic red-tape continue? To answer the question a member of this panel posed on Wednesday, I can say with certainty that I would not feel it to be a burden if a Single Payer system, funded through shared, progressive payroll and income taxes, replaced my private health insurance currently provided by my employer. I think you will find that there are many, many people in the general population who still place a premium on "doing the right thing" and who understand that multiple benefits will accrue to everyone through the promotion of a healthier, well-cared-for society.

One answer to why health insurance companies continue to hone their expertise in denials, delays and bureaucratic red-tape can be found in the excessive levels of compensation, stock options and profit that drive the decision-making of private health insurance companies. We have probably all seen the reports showing that current private health insurance profits would likely more than cover the healthcare costs of the currently uninsured. Private health insurance profits are simply unconscionable in the face of what this issue means to the health and well-being of U.S. residents. Managed Care Magazine reports that UnitedHealth Group's CEO makes over \$54 million (add to that over \$357 million in stock options). Compensation levels for CEOs and Principals summarized by Managed Care Magazine range from over \$6 million (Cigna) to the \$54+ million cited above, with reported stock options for CEOs and Principals ranging from \$25+ million to the \$357+ million cited above. And these levels of salary are not only reserved for current Principals of these companies, but also for retired and ex-Principals as well. How can we trust the fiscal responsibility and prudent decision-making of private health insurers who offer such extravagant salaries at the expense of providing many of their clients with the coverage on claims that they need and deserve? (reported figures at URL: <http://www.managedcaremag.com/archives/0109/0109.compon.html>)

A National Single-Payer Health Program would certainly not routinely offer 7 figure salaries to those responsible for implementing it. In a recent Baltimore Sun article Drs. Michael Hochman and David Himmelstein make a sound case for Single-Payer Healthcare and comment on common misperceptions of the system. I would like to quote particularly from their response that a “government-run” system would be more rather than less bureaucratic:

“...research supports the opposite conclusion. For example, a 2003 study published in The New England Journal of Medicine found that the average overhead of U.S. insurance companies is 11.7 percent, compared with 3.6 percent for Medicare and 1.3 percent for Canada's national health insurance program. And the waits in Canada are a result of Canada's low level of health spending - on a per capita basis, about half that in the United States. The efficiency of Canada's national health insurance program coupled with our current high level of health funding would yield the world's best health care system.”

<http://www.baltimoresun.com/news/opinion/oped/bal-op.singlepayer29oct29,0,2682794.story>

Regarding the quality of healthcare they correctly point out that infant mortality rates are higher and life expectancies lower in the U.S. than in most countries with Single-Payer systems, “and”, they write, “a comprehensive analysis has found that Canadians receive care at least as good as most insured Americans. The only difference would be that instead of sending bills to private insurance companies - a difficult and time-intensive process - doctors and hospitals would bill the national health insurance program.”

We would like to see the Governor, our Congressional representatives, our legislators, this Commission and New York communities support the National Single-Payer Solution outlined in Congressional bill HR 676.

I do realize that we are here today to look at the issue from the perspective of New York State. I have already shared with you my bias of being a systems thinker. I'm also here representing our Coalition which supports a National Single-Payer solution. Many organizations and individuals involved in the Single-Payer movement feel strongly that the national solution is what is needed; with HR 676 it is in our near-term grasp to achieve it. There are some variations among organizations and individuals regarding whether and how states might enact Single-Payer systems, or otherwise prepare the way for a national Single-Payer solution. I feel we would be remiss in not speaking to some recommendations for things that can be done at the state level.

Certainly it is important not to move as a state in any direction that could become a barrier to easy and expeditious participation in a National Single-Payer system. So we would propose that this should be a litmus test of any New York-based initiative. Are we committing to a healthcare strategy that would be a barrier to or one that would be

facilitative of ultimate participation in a National Single-Payer System? Our position is that we should follow the facilitative path.

What might this mean? Let's look at key provisions of HR 676 and see what kind of groundwork might be laid in New York State. Briefly, key provisions include:

*Who is Eligible?* Every person living or visiting in the U.S.

*What Health Care Services are Provided?* All medically necessary services whether preventive, acute, short-term or long-term, including prescription drugs, primary care, specialist care, inpatient, outpatient, emergency, dentistry, eye care, mental health services and substance abuse treatment.

*Do Patients Choose their own Physicians?* Yes, you choose who you see and the government "single-payer" system pays your medical provider for your services.

*Is it Non-Profit Healthcare?* Yes. The bill provides for conversion to a fully Non-Profit Healthcare System and eliminates the need for for-profit private health insurance.

*How do you Access Care?* Everyone living or visiting in the U.S. will be issued a Medical ID card (not based on Social Security Number).

*Will it Cost More?* No. A study by nationally recognized economist, Dean Baker, of the Center for Economic Research and Policy concludes that families will pay less and businesses will pay less, while everyone will be covered.

*How do We Pay for It?* It is paid for by progressive income and payroll taxes; however, it is important to note that with these taxes everyone is covered and there is no longer a need for anyone to pay monthly or annual insurance premiums; it is less expensive for families and businesses than current for-profit private health insurance.

What can New York State do?:

- (1) First and foremost it is critical that the Governor, our Congressional representatives, legislators, this Commission, and New York communities push for rapid passage of the National Single-Payer Solution outlined in the Conyers-introduced HR 676.
- (2) Develop strategies and solutions that begin to or fully eliminate private health insurance from the healthcare equation.
- (3) Develop strategies for incentivizing and promoting increases in numbers of nonprofit healthcare provider institutions and options for consumers. This could include looking at the HR 676 provisions and considering forward-looking strategies for conversion of for-profit providers who might voluntarily and/or with incentives or assistance choose to reconstitute themselves into nonprofit providers. Please consider the HR 676 proposals for this conversion process and

- consider the possible creative approaches New York might take to facilitate conversion.
- (4) Do not exclude any individuals or groups based on pre-existing conditions, race, linguistic or ethnic background, immigrant status, or differing abilities. Everybody means everybody.
  - (5) Related to (3) above we support speakers from within our Coalition and others who have rightly described issues of institutionalized racism in current health outcomes and access to healthcare. Our colleagues from Latinos for National Health Insurance and from the National Conference of Black Lawyers spoke eloquently on this point and we would direct you back to their testimonies. Also the speaker from the Immigration Coalition who described the need for multilingual services and services responsive to immigrants (whether documented or not) are critical for ensuring equitable healthcare for all.
  - (6) Support the development and dissemination of fair and accurate reporting of Single-Payer approaches, costs and benefits. Current presidential proposals and the dominance of the private health insurance industry in media coverage of health care issues often means that clear and accurate information on a Single-Payer solution is absent from the mainstream media and quality public deliberation. The state can play a role in rectifying this by providing financial and/or human resource support for public information dissemination, public fora and even public debates in which a National Single-Payer solution and relevant state level strategies can be examined, deliberated and acted upon, expeditiously and to positive effect.
  - (7) Seek task force, policy development and/or implementation advice and support from our Coalition. We would happily work with the state to bring together expertise from across organizational and individual members of our Coalition to develop more detailed recommendations for New York State at this critical juncture.

There has been much talk in these hearings of helping consumers have better information for decision-making with regard to individual healthcare. Why not extend this to provide better information to support the public's involvement in political decision-making around choices of evidence-based health SYSTEMS? We need to view the public more than as potentially informed "consumers", but rather as informed *citizens*, who understand how their participation in an overall system affects the choices and outcomes available within that system. We feel it is appropriate that the State should play a role in disseminating that type of public and civic education. These hearing definitely help advance this discourse; and so, on behalf of the Private Health Insurance Must Go! Coalition I thank you and also, importantly, thank members of the public who are listening to or reading these testimonies for the opportunity to help make the clear case for the National Single-Payer Solution currently available in Congressional bill HR 676. Let's work together to pass that legislation and roll up our sleeves to do the good work at state and federal levels for its implementation. Anyone interested should visit us on the web at <http://phimg.org>. Thank you!