



AMERICAN SOCIETY OF
PLASTIC SURGEONS[®]

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THE PLASTIC SURGERY
FOUNDATION[™]



April 13, 2018

The Honorable John J. Flanagan
Temporary President and Majority Leader
New York State Senate
Room 330, State Capitol Building
Albany, NY 12247

The Honorable John A. DeFrancisco
Deputy Majority Leader
New York State Senate
Room 416, State Capitol Building
Albany, NY 12247

RE: Oppose A. 4738, the New York Health Act

Dear President Flanagan and Deputy Majority Leader DeFrancisco:

On behalf of the New York State Society of Plastic Surgeons (NYSSPS) and the American Society of Plastic Surgeons (ASPS), we are writing to request that you oppose A. 4738. The New York State Society of Plastic Surgeons is the largest association of plastic surgeons in New York, and in conjunction with our national affiliate the American Society of Plastic Surgeons, collectively represent 601 board-certified plastic surgeons in the state. Our mission is to advance quality care for plastic surgery patients and promote public policy that protects patient safety.

If enacted, this measure will create New York Health, a new single payer health system. This proposal lacks necessary detail, and it has not been subject to sufficient analysis to warrant serious consideration. More broadly, we believe that government-run healthcare is not in the best interest of patients, providers, businesses or taxpayers.

A. 4738 will institute a complete restructuring of the health care financing system in the state of New York, yet no analysis of its fiscal or economic impact has been conducted. Further, it does not contain specific language on how provider payments will be affected, nor does it contain specific language on the amount of revenue it intends to generate or the proportional impact of proposed new taxes. While it does state that 80 percent of the new payroll tax will be covered by employers and 20 percent by employees, it does not specify how much of the total program cost will be covered by this payroll tax. It is also imperative to determine how much will be covered by the new graduated non-payroll income tax and how much will be covered by "anticipated" federal funds. It is our firm belief that this sort of "ready, fire, aim" approach leads to poorly structured policy programs.

The expectation of significant federal funds is another shortcoming of this proposal. The bill's provision instructing the governor to produce a financing plan dictates that the plan take into account anticipated federal funding. When Vermont set off in pursuit of its own single payer system and approved the creation of Green Mountain Care, it did so with the expectation of federal funding. They anticipated \$267 million, but in the end, only \$106 million was available. In 2014, Green Mountain Care was completely abolished.

Vermont Governor Peter Shumlin not the only abandoned the single payer system due to a lack of federal funding, but also cited unacceptably high tax rates. In order to fund Green Mountain Care, the state would

need to implement a uniform 11.5 percent tax increase on all Vermont businesses' payroll and an individual income tax increase of as much as 9.5 percent. Even with this sizeable additional tax burden, the new program was projected to run a deficit after just four years.

Assuming that sufficient economic analyses are done, that a politically palatable financing plan – and the tax increases that will accompany it – is produced, and a single payer system is implemented in New York, there is substantial evidence from nationalized health systems in other countries that those systems have negative consequences for patients. In some countries, outcomes are worse than what would be expected based on socioeconomic indicators. In other countries, lower costs are achieved through systems that limit the type or quantity of care that patients may receive, also known as “rationing care.” In countries such as Canada, wait times are dramatically longer than they are in the United States and significantly longer than what physicians deem clinically reasonable.

Pursuing New York Health as currently constituted in A. 4738 is ill-advised, and we believe that advancing it without a clear understanding of the cost and how it will be paid for is irresponsible. We appreciate the opportunity to provide comment and strongly urge you to vote against this bill. If you have any questions, please contact Patrick Hermes, ASPS' Director of Advocacy and Government Relations, at phermes@plasticsurgery.org.

Sincerely,

Jeffrey E. Janis, MD, FACS
President
American Society of Plastic Surgeons

Stephen F. Coccaro, MD, FACS
President
New York State Society of Plastic Surgeons

cc: Members, New York State Senate