



MEMORANDUM IN OPPOSITION

**A.5248 Assemblyman Gottfried (Referred to Health – On 2/28 Committee Agenda)
S.3577 Senator Rivera (Health Committee)**

An act to amend the public health law and finance law, in relation to enacting the “New York health act” and establishing New York Health

On behalf of the New York State Society of Plastic Surgeons (NYSSPS) and the American Society of Plastic Surgeons, representing 600 New York State plastic surgeons, our mission is to advance quality care for plastic surgery patients and promote public policy that protects patient safety. It has been well documented that the practice climate for physicians and patients in New York State has declined, making access to quality and timely physician care more difficult. **We express opposition to A.5248/S.3577, which we believe will reduce access to care, significantly increase wait times for needed medical services and create an unachievable cost burden.**

Concerns

Delays in Care - The history of government-run health care demonstrates that it typically **results in reduced access to care and significant wait times for needed medical services**, all while failing to reduce costs. It is vital that history not repeat itself in New York.

A primary example and most-often cited system of nationalized healthcare is that seen in Canada. A chief weakness of the Canadian system is that it results in unacceptably long waits from the point of referral by a general practitioner to actual care by a specialist. In spite of intense focus on the problem, wait times continue to be longer than clinically reasonable.

A recent report released in December 2018 by the Fraser Institute's National Waiting Survey, **indicates that patients wait 11.9 weeks from referral by a general practitioner to consultation with a plastic surgeon and then an additional 16.6 weeks from the consultation with a plastic surgeon to the point at which a patient receives treatment, for a total of 28.5 weeks.** This is second only to orthopaedic surgery for a total wait time of (39.0 weeks). The largest increases in wait times between 2017 and 2018 have been for plastic surgery. In 1993, when the Fraser Institute first reported national wait times for medically necessary elective treatments, Canadian patients waited overall just 9.3 weeks.¹

Wait times are not inconveniences – they can result in poorer outcomes, potentially transforming a reversible illness into a chronic or permanent disability. Additionally, wait times have serious consequences for patients such as increased pain, suffering, and mental anguish. In many instances, patients may also have to forgo their wages while they wait for treatment, resulting in an economic cost to the individuals themselves and the economy in general.

Costs - There are a number of market forces in New York that threaten the ability of physicians in New York State to continue to deliver timely and quality patient care. These forces, including exorbitant medical liability premiums, and administrative and regulatory burdens cannot be completely addressed by the establishment of the New York Health plan. The impact of these burdens has already resulted in the closing of private physician

¹ <https://www.fraserinstitute.org/sites/default/files/waiting-your-turn-2018.pdf>



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practices and a sharp increase in hospital employment. A recent study, cited by the Medical Society of the State of New York in its testimony to the New York State legislature on the Governor's proposed budget², noted physician employment has increased in the northeastern US from 27% in 2012 to 42% in 2016.

Additionally, as recently noted in a report from the Empire Center³, the level of revenue redistribution as created by the proposal could be expected to have a destabilizing effect as physicians who practice outside of the hospital-employed model would face a combination of lower income and sharply higher taxes—a combination that could disincentivize them to stay in New York to practice.

Furthermore, this program relies on unrealistic financial assumptions given the budgetary challenges facing the state. Financial uncertainty alone could drastically disrupt the health care system in New York. New York State would need to raise taxes on individuals and corporations by unprecedented amounts. Such a tax increase would constitute the single largest state tax increase in U.S. history, to fund a single program. New York does not have the flexibility to further burden taxpayers to pay for such a proposal.

Another important uncertainty is the proposal to use alternative payment methods (APM) to replace the current fee-for-service payment system. APMs can offer greater flexibility in care delivery but may also result in financial losses if the cost of care exceeds that predicted by financial modeling. Furthermore, while the fee-for-service model is imperfect, APMs are relatively new, may have significant unintended consequences, and thus have yet to stand the test of time. For example, a number of studies have shown that as consolidation has occurred in regional health care delivery systems, cost have actually risen, rather than declined as initially predicted.

Physician Impact:

Absent a physician reimbursement fee structure that is based upon real-world operating costs, including the financial and economic factors that dictate the cost of running viable and safe medical practices, and the cost of paying off educational loan debt frequently acquired as a result of training to become a physician, the New York Health Plan proposal is a non-starter.

NYSSPS acknowledges the Sponsor's efforts to add provisions that remove the requirement for prior authorizations for health care services. Additionally, we acknowledge the provisions to allow for health care providers to collectively negotiate with New York Health including payment rates and methodologies.

Conclusion:

We support solutions that build on the strengths of New York's current system and will continue to work with the legislature to identify ways to advance healthcare delivery improvements. We strongly oppose the New York Health Plan in its current iteration but hope to work toward a viable plan acceptable to all stakeholders.

Respectfully Submitted,
Babette M. Grey, Executive Director

² http://www.mssny.org/Documents/2019/Home/020619/Testimony_2019.pdf

³ <https://www.empirecenter.org/wp-content/uploads/2019/01/DoNoHarm.pdf>