

Testimony of

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At the Joint Hearing of the

Senate Standing Committee on Finance  
&  
Assembly Standing Committee on Ways and Means

Concerning the SFY 2018-19 Executive Budget Proposal  
Relating to Health

Albany, NY

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10:00 AM

Hearing Room B

Thank you, Chairwoman Weinstein and Chairwoman Young, for giving the New York State Academy of Family Physicians (NYSAFP) the opportunity to submit testimony about Governor Andrew Cuomo's proposed 2018-19 Executive Budget. NYSAFP represents over 6,000 board-certified physicians, residents and students in family medicine across New York State.

## **2018-19 Executive Budget**

### **Doctors Across New York**

NYSAFP supports the Executive Budget proposal to maintain funding of the Doctors Across New York (DANY) at \$4,705,000 for the physician loan repayment program and \$4,360,000 for the physician practice support program. The NYSAFP commends the success of the DANY program. It has assisted physicians with educational debt; and provided support to physicians joining and establishing practices in underserved areas. Both of these accomplishments have encouraged more physicians to practice in underserved areas of the state and therefore benefitted the health of New York's citizens by increasing access to health care.

### **Excess Medical Malpractice Program**

NYSAFP also supports the Executive Budget proposal to maintain \$127,400,000 in funding for the Excess Medical Malpractice Program. The Program provides a crucial second layer of protection for our physicians to supplement their own medical liability insurance and protect their personal assets. Of course, we believe comprehensive medical malpractice reform is essential to provide a permanent solution to this longstanding problem.

### **Women's Agenda**

NYSAFP supports the Governor's Women's Agenda (S.7511 / A.9511) parts A & B which is included as a package of freestanding Article VII legislation. These provisions, enacting the Comprehensive Contraceptive Coverage Act and the codification of Roe v. Wade into State law, are both critical to protecting women's health. NYSAFP has steadfastly supported these initiatives since they were first introduced.

### **Comprehensive Contraceptive Coverage Act (CCCA)**

Access to contraception is an essential element of primary care, and vital to women's health and lives. Having information about family planning resources enables women to make decisions based on what is best for them and their families. Ensuring that all women can access contraceptive devices, regardless of economic status, plays a crucial role in improving public health outcomes by reducing unintended pregnancy.

Given the uncertainty at the Federal level, as well as a lack of consistent contraceptive insurance coverage at the state level, enactment of the CCCA would build on existing law to ensure statewide contraceptive access and coverage regardless of socioeconomic status. Federal law provided in the Affordable Care Act (ACA) outlined contraceptive equity policy, but has been inconsistently implemented. This has resulted in some women being taken advantage of by insurance companies who limit which contraceptives are covered and impose high cost-sharing to access these drugs.

A 2017 investigation by the New York State Department of Financial Services found that as many as 11 health plans were providing patients with inaccurate information about contraceptive

coverage. The plans were misinforming customers by stating that there was cost sharing for contraceptive drugs and that some would not be covered at all. One health plan even refused to provide any information on their contraceptive coverage policies, in violation of New York State Insurance Law.

The NYSAFP firmly believes that the CCA would help bring equitable contraception to all New Yorkers, allowing women to make their own reproductive choices and preserve their economic well-being and independence. We believe that women deserve reliable and consistent access to contraception services.

### **Codification of Roe v. Wade**

NYSAFP supports this legislation to conform New York's public health law and the penal code with the principles established in Roe v Wade to protect a woman's right to make personal reproductive decisions related to pregnancy, abortion and contraception. This action is necessary to assure that New York State is prepared if the right to choose is diminished by judicial action or other federal encroachments.

Removing the regulation of abortion from New York's penal code would protect the right of women to make personal health care decisions. Additionally, such legislation would ensure that health care professionals can provide these crucial services without fear of criminal penalty. NYSAFP physicians and our parent organization, the American Academy of Family Physicians, are committed to opposing the criminalization of medical decision-making and we oppose any legislation which allows the government to regulate medical practice through criminal penalties.

### **Patient Access to Health Care**

#### **Prior Authorization Reform**

Patient centered care is often cited as a major goal of health care reform. Empowering patients to actively participate in development of personalized treatment to meet their unique health care needs, can increase patient satisfaction and improve treatment quality and outcomes. Unfortunately, physicians and patients often face significant obstacles in realizing this concept. Programs such as prior authorization and step therapy are routinely used by payers to protect their financial interests. Such programs delay and frequently prevent access to vital services. The time consuming procedures necessary to conform with prior authorization divert clinical resources from patient care. NYSAFP helped develop and strongly supports legislation by Assemblyman Richard Gottfried to limit the effects of prior authorization in frustrating patient access to timely and necessary care.

#### **Single-Payer Healthcare Coverage**

After studying various proposals, the Academy strongly urges the adoption of a single payer approach to universal healthcare coverage in New York State.

A single payer system will eliminate the varying administrative practices of multiple health insurance plans which add costs and frustration to providers and patients and serve primarily to delay or deny coverage for care. Such day-to-day interference in medical practice compromises patient care. In a field where time is of the essence, it is essential that people have immediate

access to the care they need when they need it. Medicare is the closest comparison for how a single payer system would work. Medicare is a streamlined program that provides seniors 65 and older access to covered benefits with fewer administrative delays and payment issues than exist with commercial plans. Why not have a single payer system like Medicare that provides coverage for all New Yorkers and not just seniors?

A single payer will constrain costs by eliminating the multiple payers and their multiple administrative rules and procedures and replacing it with a uniform, standardized system. On March 6, 2105, Gerald Friedman, PhD Professor and Chair, Department of Economics University of Massachusetts at Amherst released a report which analyzed the economic effects of Assemblyman Richard Gottfried's New York Health Act (*Economic Analysis of the New York Health Act*). The report found that by reducing burdensome billing expenses, administrative waste in the insurance industry, monopolistic pricing of drugs and medical devices, and fraud, New York Health would save over *\$70 billion in the first year, with increased savings over time*. Further, it found that even after expanding coverage to the uninsured, removing barriers to access, and correcting the underpayment of Medicaid services, New York Health would save \$44.7 billion in the first year alone. According to the report, while the largest savings would go to working households earning less than \$75,000, over 98% of New York households would spend less on health care under the Act than they do now. Finally, the report states that New York Health would be expected to create over 200,000 new jobs.

Also very important, this measure would afford physicians, for the first time, the right to collectively bargain with the Single Payer related to the terms and conditions of care to be provided. This would enable physicians to better advocate on behalf of the patients we serve and resist the unnecessary bureaucracy and administrative requirements that make the current system so expensive and unworkable.

### **Suspension of Enhanced Payments to PCMH Practices**

Health care policy leaders in New York have been among the leading proponents of primary care in the country. Our actions to support increased investment in primary care, however, have fallen well short of our rhetoric. This Budget contemplates further erosion of the State's support of primary care by suspending enhanced payments to PCMH practices in the Medicaid program. Continued application of the 2% cap on growth in Medicaid spending makes it unlikely this important program will ever be resumed. Previously NY has declined to use State funds to maintain parity in Medicaid and Medicare payment for primary care. Primary care physicians cannot sustain the losses in caring for their Medicaid patients that occur as a result of inadequate investment in primary care. We urge the Legislature and the Executive to find ways to realize the aspirations of so many in NY who have consistently acknowledged the value of primary care in assuring quality and controlling costs in health care.

Thank you for the opportunity to comment on the Executive Budget. We appreciate the challenges of prioritizing New York's spending in an uncertain time. We believe, however, that prudent investment of resources in programs that support the health of the public and in policies that reinforce the professionalism and independence of physicians, will have long term benefits for the citizens of New York.