

Governor Spitzer, representatives of the New York State Health Department, my fellow New Yorkers: My name is Brendan O'Connor. I am a second year medical student at SUNY Upstate here in Syracuse and I hold a Masters in Public Health. I am speaking today as a member of Physicians for a National Health Program. This organization of 14,000 medical professionals is dedicated to securing guaranteed affordable health care for all Americans through the establishment of a National Health Insurance Program based on the Medicare model. I speak also on behalf of AMSA, the American Medical Student Association. We medical students of AMSA, as future stewards of our nation's health, are similarly dedicated to a Single Payer solution to the access crisis that threatens our patients and our country.

I commend you all for your interest in the critical issue of universal health care. Just as when, in the wake of hurricane Katrina, we watched in horror as our society and our government failed so dramatically to rescue disaster victims from a nightmare that was preventable, so too must we be morally nauseated every time a cancer patient goes bankrupt and loses her home or a patient with diabetes is denied timely access to quality care due to inadequate or non-existent health coverage. There is no reason why the great State of New York or the United States of America cannot accomplish what every other developed nation on the planet has already managed to do: we must ensure that quality affordable health care is accessible to every one who needs it. We need to stop punishing people for getting sick. This is the goal of universal health care and there is broad consensus among New Yorkers and among Americans that universal health care must be achieved. Our discussion today should be concerned with how to achieve it.

While the term "universal health care" describes a policy outcome wherein every resident of our nation or our state has access to the care they need, it does not describe a specific policy by which that outcome is achieved. The individual mandate that Massachusetts has enacted, for example, is widely referred to as universal health care because it requires all the residents of that state to buy health insurance. It is the opinion of Physicians for a National Health Program and the opinion of AMSA, however, that the Massachusetts approach to universal coverage will fail. It will fail because it does nothing to address the underlying breakdowns of our health care system. It will fail because it preserves a role for private, profit driven health insurance corporations. In order to achieve the goal of universal health care, we must embrace a policy that separates health care from profit. Any policy that mandates individual purchase of private health insurance, or, worse yet, transfers public funds to subsidize the private insurance corporations will succeed only in benefiting these inefficient, profit hungry corporations. Universal health care is only achievable or affordable if we cut out these wasteful middle men: the insurance companies. I will tell you why.

Private health insurance is not only increasingly unaffordable, it is increasingly unreliable. Half of all personal bankruptcies in this country are the result of medical bills, and in 75% of those cases of medical bankruptcy, the patient had insurance at the onset of illness. The purpose of health insurance is to protect the individual from financial ruin should they become seriously ill, and the health insurance corporations are failing to provide that protection. They are failing and they will continue to fail because they have a fiduciary relationship to their stakeholders to turn a profit and the only way to do that is to bring in more money from premiums than they pay out for medical care. This is the definition of inefficiency. And it is no secret. The health insurance

corporations make no effort to hide their wastefulness of our resources: on the contrary they flaunt it to potential investors, bragging to Wall Street about their “low medical loss rates”. What is a medical loss rate? It is the percentage of their premium dollars that are “lost” to that pesky expense of reimbursing patient care. By their own admission, these companies are wasting 16-30% of their clients’ hard earned money on profit, paperwork, advertising, actuaries--all the expenses they have beside providing health care. Compare that to Medicare, the public insurance program that pays for the care of our nations’ elderly. Medicare runs an annual overhead of 2-3%. Using the Medicare model we could afford to provide all of our residents with all the quality care that they medically, mentally and dentally require. The only reason we do not do this already is the staunch opposition to such policies put up by the private health insurance lobby. These are companies in the business of denying claims and dropping coverage, of bringing in the premium dollars of our patients and never letting go. All attempts to regulate these behemoths have been fiercely and effectively opposed. If we want to achieve universal health care and keep health care affordable and secure, we need to cut out the heart of our fractured system’s dysfunction. We need to eliminate the private health insurance corporations and replace them with a Single Payer public state wide or national health insurance program based on the Medicare model but expanded to cover everyone for everything that they medically, mentally and dentally require.

I thank you all for your kind attention.