

February 11, 2025

## **Testimony of Lindsey Vigoda, the New York Director Small Business Majority**

*RE: 2025 Executive Budget Proposal: Topic Health/Medicaid*

Small Business Majority, a representative of the more than 2.2 million small businesses in New York, is pleased to submit testimony in support of the Fair Pricing Act, which would provide needed relief to thousands of New York small business owners and employees and save up to \$1.5 billion annually in healthcare spending in the state.

Small Business Majority is a national small business organization with an office here in New York that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,500 business and community organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth.

Healthcare affordability is a top concern for small business owners, limiting their ability to grow their businesses and provide benefits for their employees. One solution that can bring down the high cost of care in our state is capping how much a healthcare provider can charge for outpatient services, regardless of the setting in which it is provided. With so many hospitals consolidating and integrating with other providers, the costs of medical services are skyrocketing with no accompanying increase in value. In this state, hospitals charge four times more than doctors' offices for routine services, which is a concerning trend as we see less investment in primary care and typical New Yorkers turning to hospitals for services traditionally done in a medical office.

Our [polling](#) shows that 54% of small businesses believe hospitals are responsible for the recent healthcare cost increases. To control the rising cost of care, small business owners overwhelmingly support several policy solutions many of which have bipartisan support among policymakers. Additionally, 82% of entrepreneurs say the government should set limits on what hospitals can charge for particular services, and the government should have greater authority to block mergers and acquisitions in the healthcare industry. Furthermore, 78% agree that Medicare should reimburse hospitals the same price for the same service, regardless of where the service is performed.

Policymakers must cap how much a provider can charge for a limited number of services, putting an end to providers charging different prices for the same procedure based on who owns the building. Even with inflation considerations, employer health insurance premiums have risen dramatically in the last four decades. In recent years, hospital conglomerates in New York and nationwide have amassed outsized market power through consolidation and anti-competitive practices and then used that market power to charge outrageously high prices. New Yorkers pay the highest health insurance costs in the nation. This not only affects our overall health as a state, but also the bottom line of countless businesses. These high hospital costs drive increases in premiums. Small businesses already struggle greatly to provide healthcare to their employees, and as hospital prices increase, the rates in the small group market continue to skyrocket. This commonsense check-and-balance policy will reign in hospital monopolies to increase access to healthcare for our smallest employers. Small business owners, who already have slim profit margins, and their employees could be sunk by the cost of their medical bills, which hurts our economy overall. In New York, these exacerbated hospital cost decrease the buying power of consumers

and take away possible revenue for our businesses across the state. I ask you today to support the Fair Pricing Act and create a more equitable and affordable healthcare system for New York's job creators. If you have any additional questions about how high hospital costs affect New York entrepreneurs, please do not hesitate to reach out.

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