

Health Care Expansion Approved by NYC Council

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27,000 Workers to Benefit; New Law Combats Race-to-the-Bottom Among Groceries. Broad support from business, labor, community & City Council

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New York, NY — Today the City Council passed a precedent-setting bill to level the playing field for responsible businesses facing pressure to stop providing their employees with health coverage. The Health Care Security Act (Intro 468A), introduced by Health Committee Chair Christine C. Quinn and co-sponsored by 42 of her colleagues, drew broad support from a coalition of business leaders, labor unions, health care advocates and community groups organized by New York Jobs With Justice. The bill requires medium to large grocers to provide their workers with health care.

The Health Care Security Act responds to a nationwide trend. Employers like Wal-Mart keep costs low by refusing to provide many of their employees with health care, flooding state Medicaid rolls. The “Wal-Mart effect” pressures other retailers to slash their health care

costs to remain competitive.

“The New York City Council has shown tremendous leadership and vision in stepping up to address a national crisis by ensuring health coverage for 27,000 workers and tens of thousands of their family members,” said Adrienne Shropshire, Executive Director of NY Jobs with Justice. “This bill is good for working people, it’s good for businesses, and it’s good for New York.”

The new law is supported by over 100 businesses, including Fairway, Gristedes, D’Agostinos, Key Food, Pathmark, and Stop & Shop. Over 70% of employers in the grocery industry currently pay for their employees’ health care.

“The Health Care Security Act is a pro-business response that protects both the responsible employers who currently provide health insurance as well as the taxpayers who are seeing an increasing pressure put upon the publicly financed health care system in our City,” said Health Committee Chair and lead sponsor Christine C. Quinn.

“When my competitors drop health care for their workers, they’re not only hurting their employees, they’re hurting mine,” said John Catsimatidis, Chairman and CEO of Gristedes. “If I have to compete with low-road, cost-cutting employers like Wal-Mart, it’s going to be hard for me to continue to provide my employees with the care they deserve.”

“The Health Care Security Act, marks one of the first times that the business community in a particular industry has come together to set some basic standards around contributions for health care. Competition should not include cutting essential benefits for their workforce,” said Paul Sonn, Deputy Director of the Poverty Program at the Brennan Center for Justice.

The legislation is an innovative attempt to stop employers from shirking their responsibility to help pay for their employees' health care. As state and local governments across the country look for ways to address the ongoing health care crisis, the Health Care Security Act will provide a new model for policymakers. The Brennan Center for Justice at NYU School of Law provided legal analysis for legislators in drafting the new law and advised the campaign.

The new law is also expected to ease the burden on taxpayers who pick up the tab when businesses force their workers onto public assistance programs. New York State's Medicaid program costs state, local and federal taxpayers approximately \$45 billion each year. Taxpayers also pick up 85 percent of the cost of care for the uninsured, many of whom work full time.

"When businesses in our City are forced to cut health insurance for their employees just to stay competitive, we have a solution: level the playing field and make sure all industry employers are providing coverage," said NYC Council Speaker Gifford Miller. "This bill will not only protect some of New York's hardest-working residents, it will save taxpayer dollars by reducing the strain on public health facilities."

The law will expand health care for up to 6,000 employees in the grocery industry and protect coverage for 21,000 employees now receiving health care through their employers.

Catherine Abate, the President and CEO of Community Health Care Network, explained that the uninsured often face serious health conditions made worse by an initial reluctance to seek care without health coverage. The New York City Department of Health estimates that 4,000 deaths in New York City could be prevented per year if there were equal access to health care.

“More than half of Black, Latino, and Asian workers do not receive

health coverage through their employers,” said Susan Shah of the Center for Immigrant Health. “This bill will bring much needed relief to workers of color and immigrant workers, who currently risk higher rates of sickness and disease.”

Advocates predict that similar efforts in progress across the nation in Maryland, New Jersey, Connecticut, Washington State, New York’s Suffolk County, and San Francisco will be advanced by the passage of this legislation.