There’s Nothing “Optional” about the New York Health Act’s Single-Payer Option

Any Single-Payer Option Should Define an Option for a Free Parallel Market in Healthcare

COLLEEN SMITH, MD

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Pineapple. Colored pencil. By Colleen Smith

It’s no secret that patients and doctors are dissatisfied with our nation’s healthcare system. Across the board, politicians, physicians, and

citizens are calling for changes: transparency, affordability, autonomy, and a public option. Currently, New York State is considering legislation, the New York Health Act, that would create the state-level single-payer New York Health Plan (NYHP).

The New York Health Act promises comprehensive coverage, but gives the state monopoly control over healthcare financing and restricts nearly all voluntary alternatives.

While the bill doesn't explicitly require all doctors in the state to enroll in the newly created NYHP, it prohibits insurers from offering coverage that duplicates any service included in the extraordinarily broad state plan.

This would mean no employer- or individual-based insurance, no catastrophic insurance, no marketplace plans, no health savings accounts. Direct primary care subscriptions may become illegal as NY State has previously treated some versions as insurance. Medicare and Medicare Advantage plans would be subsumed by the NYHP. It would make it impossible for individuals to pursue a cash-pay alternative or privately contract with their doctors.

Just as patients' freedoms to choose their healthcare financing would be drastically curtailed, physicians' freedom to choose the financing of their practice would face significant limitations. Physicians who opt out of NYHP to continue their cash-pay or direct-pay practices would lose many patients who rely on partial out-of-network reimbursement from insurance (as there will be no private insurance).

It is even possible that these non-enrolled doctors could be accused of fraud for accepting cash for any service otherwise covered by NYHP. While this isn't spelled out in the act, it's not unthinkable because it is exactly how Medicaid payments are handled in most states today. Physicians who are enrolled in NYHP, like those enrolled in Medicaid, will be prohibited from accepting cash for covered services, even with the patient's full knowledge and consent.

Our Medicaid system and the Canadian health system stand as examples of the risks of a public health sector that does not provide for a parallel private system. In both cases, regulations have led to long wait times, physician shortages, and healthcare deserts for Canadians and Americans on Medicaid. In some provinces of Canada, the median wait time to see a specialist is 30 weeks – more than 8 months! If we think U.S. Emergency Departments are overrun now, it will be much worse if we adopt the NYHP.

Conversely, the United Kingdom's single-payer National Health Service (NHS) permits a parallel private system: patients may self-pay or buy private insurance, and NHS physicians may also practice privately. That alternative does not solve every NHS problem, but it preserves choice, opens additional capacity in the public system, and helps retain physicians who might otherwise leave public practice entirely.

New York's bill combines centralized price controls with Medicaid and Canadian-style restrictions on alternative financing models. It might reduce administrative spending initially. But if state-enforced price controls fail to cover the costs of providing care, as they often do, physicians will leave practice, leave the state, and reduce services. Without private insurance or parallel practice to supplement capacity, the resulting caregiver shortages will lead to an increasingly overburdened system with even longer waits, fewer choices, and lower-quality care.

The New York State Health Act should be rejected. It is not a single-payer *option* in the way that, for example, public schools are optional. This act would usher in a single-payer *mandate,* place inappropriate constraints on patients' and providers' freedom to contract privately, and leave no room for parallel private practice. As much as we may want an alternative to the status quo, New Yorkers shouldn't settle for any health plan that will so severely limit their freedom and that of their providers.