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NEWS RELEASE

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NEW YORK HEALTH PLAN ASSOCIATION ON 2018 RATE DECISIONS

Statement of Paul Macielak, HPA President & CEO

"The premium rate approvals announced today by the Department of Financial Services once again acknowledge the rising health care costs confronting plans as well as ongoing uncertainty created by the health care reform discussions in Washington, D.C.

"The costs of health care that continue to go unchecked — including spending on prescription drugs that grows faster than any other health care service and continued consolidations in the hospital sector — are compounded by the problem of growing health care taxes.

"The expected resumption of the Affordable Care Act's health insurance tax (HIT), with no signal of federal action to delay or repeal that tax, accounts for up to 3% of the increase in 2018 premiums. And that is on top of the continued burden of New York's Health Care Reform Act (HCRA) that imposes surcharges and assessments on health care that add up to $5 billion annually. Government cannot continue to tax health insurance in order to subsidize other government spending.

"A key priority must be maintaining a stable marketplace in New York. As part of this goal, we are gratified to see a common commitment on the part of plans and DFS to ensure actuarially sound rates that maintain the viability of New York's robust exchange and protect the availability of consumer choice of plans and products.

"An equally important – but more challenging – priority is addressing the underlying costs of care and rising taxes, and we welcome the opportunity to work with the state on that effort."

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