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NEWS RELEASE

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NYHPA to Budget Negotiators: Keep Health Care Affordable

Pending Budget Proposals will Make Coverage More Expensive for New Yorkers

As deliberations continue on the FY2021-2022 state budget, the New York Health Plan Association (HPA) today pointed to the potential of higher health care costs for consumers, employers, union benefit funds and the state if a broad range of policy proposals are included in the final budget.

“Health insurance premiums reflect the cost of care and New York’s health care costs already are among the nation’s highest,” said HPA President & CEO Eric Linzer. “With employers, particularly small businesses, and consumers struggling with the economic and social disruption that the pandemic has caused, closing the budget gap shouldn’t mean New Yorkers pay more for their health care.”

Among the proposals being discussed:

Pay & Pursue: Despite it not being included in the Governor’s initial budget plan, his 30-day amendments, or either the Assembly’s or Senate’s one-house proposals, the Executive and several hospital associations continue to push a proposal that would require that hospital claims be paid *before* having to submit information needed to determine whether the service or treatment was medically necessary. As Linzer noted, “What other industry requires consumers to pay first before explaining how much the service will cost or whether it is really necessary? This would be a huge hidden tax on employers, union benefit funds, and working families and shouldn’t be slipped in at the last minute.”

New Taxes & Assessments: The Assembly Budget would create an 18% surcharge on the total tax liability of a variety of businesses operating in the state, including some health insurance companies, and also increase the state’s covered lives assessment by \$40 million dollars, adding to the cost of coverage for consumers, employers and union benefit funds. A recent poll of New York voters that HPA released found that 79% oppose increasing health insurance taxes and 62% oppose increasing health insurance taxes to close the budget gap. “Voters reject increasing taxes and adding new assessments, because it makes health care more expensive for them,” Linzer said

Mandated Reimbursement Levels: The Senate budget proposes requiring that telehealth visits be paid at the same rate as in-office visits and both the Assembly’s and Senate’s budgets would mandate reimbursement levels for medically fragile children. As Linzer noted, “Requiring minimum payment rates, without any requirement on the provider to control their costs or improve their performance, will result in higher health care costs for New Yorkers and does nothing to enhance the quality of patient care in the state.”

Medicaid Pharmacy Carve Out: Hospitals, health centers, clinics, community-based organizations, patient advocates and health plans are united in opposing the state’s plan to carve the Medicaid pharmacy benefit out of managed care and have urged its repeal. “While the Executive anticipates that it will save the state \$87 million in the upcoming fiscal year, it will actually add significant new costs to the Medicaid program and decrease the quality of care for New York’s most vulnerable residents. Given these concerns, legislators should adopt the Senate’s proposal to repeal the carve-out.”