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NEWS RELEASE

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NEW YORK HEALTH PLAN ASSOCIATION ON ONE-HOUSE BUDGET PROPOSALS

Statement by Eric Linzer, HPA president and CEO

“While we recognize the fiscal challenges facing the state, we are opposed to increasing taxes and assessments on health insurers as it will add to the cost of coverage. Health insurance taxes and assessments are the third largest source of state revenue behind sales and income taxes, adding more than \$5.5 billion to the cost of health insurance each year. New Yorkers already pay enough.

“The Assembly’s proposal to shift state and municipal costs for Early Intervention services by increasing the state covered lives assessment by \$40 million and the proposed 18% surcharge on corporate taxes, which is currently paid by some New York health insurance plans, will translate into higher health care costs for many New Yorkers. Closing the state budget gap shouldn’t make health care more expensive for them.

“We applaud the Senate and Assembly for rejecting the hospital-backed pay-and-pursue proposal as it will increase costs and undermine the quality of care for patients, as well as both houses’ commitment to increasing access to coverage by expanding the Essential Plan and the Assembly’s restoration of funding for the quality pools for Medicaid managed care plans. These are important steps to improving the quality and affordability of health care in New York.

“Additionally, while they take different approaches, both houses recognize the problems with the proposal to carve the pharmacy benefit out of Medicaid managed care plans. It will fail to generate the savings the state expects, while decreasing the quality of care for the state’s most vulnerable individuals and have a devastating impact on safety net providers. Given these concerns, the final FY2022 state budget should adopt the Senate’s proposal to repeal the carve-out.”

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