

ACEC New York

American Council of Engineering Companies of New York



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May 14, 2026

Hon. Kathleen C. Hochul
Governor New York State
NYS State Capitol Building
Albany, NY 12224

Hon. Andrea Stewart-Cousins
Senate Majority Leader
Room 907, LOB
Albany, NY 12247

Hon. Carl Heastie
Assembly Speaker
Room 932, LOB
Albany, NY 12247

Dear Governor Hochul, Leader Stewart-Cousins and Speaker Heastie:

On behalf of a broad group of organizations representing employers that are committed to ensuring access to quality and affordable health care, we are writing to express our opposition to a proposal to extend the MCO tax.

New York's health care taxes already far exceed national averages and affordability is the top health care issue for employers. Existing taxes, surcharges and assessments on health insurance collected under the Health Care Reform Act (HCRA) add nearly \$6 billion to the cost of coverage and is the third largest source of state revenue behind sales and income taxes. Originally, the HCRA taxes were intended for specific health delivery uses, such as funding hospital bad debt and charity care and graduate medical education and training. However, HCRA taxes are now used mostly to finance Medicaid costs and to fund a myriad of other programs that go far beyond the original scope and mission of the program and adds well over \$1,000 per premium for the average family policy in New York.

Extending the MCO tax on top of the already exorbitant state-imposed insurance taxes and HCRA assessments – on top of the impact of federal changes making coverage less affordable –

exacerbates the challenges individuals and employers, particularly small businesses, face to find coverage, and will increase premiums for every individual, family and employer buying a policy in New York. Further, it makes the cost of doing business in the state even more expensive and runs counter to efforts to make health care more affordable.

For all these reasons, we ask that you reject any extension of the MCO tax.

Sincerely,

American Council of Engineering Companies of New York
Associated Builders and Contractors Empire State
Association of General Contractors NYS
Buffalo Niagara Manufacturing Alliance
Business Council of NYS
Food Industry Alliance of NYS
Local Business Relief Coalition
National Association of Benefits and Insurance Professionals-NYS
National Federation of Independent Businesses-NY
NYC Black Chamber of Commerce
New York Health Plan Association
Northeast Dairy Foods & Suppliers Associations
NYS Conference of Blue Cross and Blue Sheild Plans
Small Business Majority
Upstate United