

New York State health insurance premium payers will carry the burden of high healthcare costs this year that are the result of increased premiums and higher health care costs. The Department of Financial Services reports an average increase of 8.3 percent for small group markets and 16.6 percent for individuals which occurs at a time when dismantling of the Affordable Care Act threatens to create a record number of uninsured.

The Employer Alliance for Affordable Health Care is a coalition of more than 3,000 small business owners and sole proprietors in New York State. We oppose state legislation that directly or indirectly, increases health insurance premiums. We ask the legislature to refrain from any action this year that would increase health insurance costs.

## OUR 2017 BUDGET PRIORITIES

### **WE OPPOSE EXTENSION OF THE HEALTH CARE REFORM ACT (HCRA)**

HCRA is a series of taxes, fees and assessments that are levied on health insurance. The program should have been phased out. It has not and private health insurance consumers still pay more than \$4.6 billion in HCRA taxes annually. The Governor's Executive Budget proposal would extend HCRA, and taxes associated with it, to December 31, 2020. This change will result in another \$1.3 billion in consumer taxes.

HCRA taxes were intended to support hospitals in providing free care for the poor and uninsured and offset the cost of training for new physicians. Today much of the money generated by the HCRA taxes are allocated to the state's general revenue stream and used to fund programs unrelated to the health care arena. New York is one of the most heavily taxed states in the nation. Small businesses are in desperate need of tangible financial relief. Phasing out HCRA surcharges would save hundreds of dollars a year for every New Yorker with health insurance, offering tangible relief that makes health insurance premiums more affordable.

### **WE SUPPORT TRANSPARENCY IN PHARMACEUTICAL COSTS**

Prescription drug costs are the fastest growing segment of the health care system. According to some reports, costs have increased from \$4.3 billion to \$6.7 billion within a period of five years. The Governor's budget proposal would authorize the Commissioner of Health to cap prescription drug prices.

According to the Health Care Cost Institute, consumers utilized 15.5 percent fewer brand name prescriptions last year, but the average price paid still rose 21.2 percent. Current pricing trends are unsustainable. Reducing these costs would have a significant impact on the overall cost of health care.

### **WE OPPOSE EXPANSION OF THE EARLY INTERVENTION PROGRAM**

The Governor's budget proposal would shift publically-shared costs to a smaller group of privately insured individuals even though early intervention care is largely an educational service and should not be covered by private health insurance. The budget proposal would expand current early intervention programs and in the process, reduce quality control and medical oversight. This would be accomplished by eliminating the need for health plan authorization or a predetermined need for medical necessity.

This effort to increase health insurance premiums costs occurs at a time when many small businesses battle not only higher prices, but also face uncertainty about the future of coverage. It is inequitable that only a small portion of employers will be obliged to cover the services required under the mandate. That is because nearly half of New York's insured population is covered under a self-insured product and hence, is exempted from state mandates in accordance with the federal ERISA law. As a result, this mandate falls squarely on small employers while New York's largest, most financially secure employers will have the option of skirting this provision.