

## **MEMORANDUM IN OPPOSITION**

### **S.2007/A.3007 Part H HCRA Tax Extension**

The 20-year-old Health Care Reform Act (HCRA) includes a series of hidden taxes, fees and assessments that are levied on the price of health insurance. Most should have been phased out over the years, yet private health insurance consumers still pay more than \$4.6 billion in HCRA taxes annually. A proposal in the Governor's Executive Budget Plan, S.2007/A3007 Part H, would extend HCRA and taxes associated it. Pushing back the expiration date to December 31, 2020 would result in consumers paying another \$13 billion in taxes!

### **WE OPPOSE THIS BUDGET ITEM FOR THE FOLLOWING REASONS:**

- New York is one of the most heavily taxed states in the nation. Small businesses, which are the heart of the state workforce, 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.
- HCRA taxes were originally intended to support health care delivery uses, specifically allowing hospitals to provide free care for the poor and uninsured and offset the cost of training for new physicians. Since the passage of the Affordable Care Act, New York has experienced a record increase in the number of people enrolled in health insurance, many of whom were previously uninsured. As the number of people without insurance declines, so should the need for corresponding taxes earmarked to cover these expenses. Today much of the money generated by the HCRA taxes are allocated to the state's general revenue stream, funding programs unrelated to the health care arena.
- Not only is HCRA expensive, but the charges themselves are inconsistent throughout the state, penalizing some communities more than others. The Empire Center recently found a difference of as much as 1,800 percent between Utica and New York City. With no appreciable value-add, The Business Council of New York State estimates that these taxes increase premiums for the average family coverage in excess of \$1,000.

### **FOR THESE REASONS, WE ASK YOU TO OPPOSE S.2007/A.3007- Part H**

*The Employer Alliance for Affordable Health Care is the largest, single-issue grassroots coalition in New York State, with more than 3,000 small business owners and sole proprietors representing more than 150,000 individuals. Our members believe that everyone should have access to basic, affordable health insurance. We oppose state health insurance mandates that increase premiums. For more information call (518) 462-2296 or email [pamela@employeralliance.com](mailto:pamela@employeralliance.com)*