

January 26, 2018

The Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Dear Governor Cuomo:

The Employer Alliance for Affordable Health Care is the largest, single-issue grassroots coalition in New York State. We represent more than 3,100 small businesses that provide jobs to more than 200,000 New Yorkers. Our members are committed to providing their employees with affordable health insurance coverage.

The 14 percent health insurance “windfall” surcharge included in your 2018 budget proposal will cause undue harm to the state’s small business population. Experience shows that any type of industry assessment is passed on to consumers and will exacerbate the challenge small businesses facing in finding affordable coverage options for their employees. In this case, small businesses, who are just starting to feel the impact of 2018 rate hikes (which averaged between nine and 14 percent) would disproportionately bear the brunt of this assessment. Moreover, these increased costs would provide no tangible healthcare benefits to our employees. The small business segment is credited for creating 2.7 million jobs statewide and plays a critical role in the state economy, but rapidly rising health care costs stymie their ability to create jobs, invest in their companies, and, ultimately, improve the state's economy. Small employers are regularly forced to make difficult choices between business growth and employee benefits in order to account for rising premiums. Increasing taxes on the cost of insurers will make those choices even more difficult.

We understand the need to raise revenue in light of a budget deficit, but the focus should be on reforming state programs before considering new taxes and assessments. Given New York’s designation as the nation’s second costliest state for employer-sponsored coverage we ask that you find another way to offset the state’s budget deficit and commit to keeping healthcare affordable.

Sincerely,



Pamela Reese Finch
Executive Director