



# S.8307-B (Resolution - DOH)/ A.8807-B, Part 00 & A.8805-B, Part X

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<b>BILL</b> S.8307-B (Resolution - DOH)/ A.8807-B, Part 00 & A.8805-B, Part X
<b>SUBJECT</b> New \$4B MCO Tax on New Yorkers
<b>DATE</b> March 20, 2024
<b>OPPOSE</b>

The Business Council strongly opposes the Senate and Assembly's vague budget proposal, as referenced in S.8307-B (Resolution - DOH)/ A.8807-B, Part 00 & A.8805-B, Part X to establish a new \$4 billion tax on managed care organizations. This is a **hidden, regressive tax on hardworking New Yorkers and employers** that would be in addition to the almost \$6.5 billion in Health Care Reform Act (HCRA) taxes that they already pay.

Health care costs are consistently among the top challenges that New York employers and employees face. According to the 17th annual Upstate New York Business Leader Survey, conducted by Siena College Research Institute, 58% of Upstate NY CEOs see rising health care costs as one of their top challenges. Small businesses also consistently rank the cost of health insurance as a top problem.

Any new tax on managed care organizations is passed along to employers and consumers in the form of higher premiums. New Yorkers already pay approximately \$6.5 billion in HCRA taxes annually, which is built into the cost of their health care insurance premiums and adds an average of \$1,000 to a family policy. To add an additional \$4 billion to that, almost doubling the existing tax, would be catastrophic to all New Yorkers who participate in commercial health plans.

The Legislature continues to say that they want to make New York more affordable and keep costs down for New Yorkers. This new tax will do the opposite and will drastically increase costs for New Yorkers who struggle to keep up with rising costs.

This proposal aggressively proposes a new \$4 billion regressive and hidden tax on New York employers, employees, and consumers at a time when we simply cannot afford it. To contain health care costs for all New Yorkers, we urge the

Governor and the Legislature to reject this proposal.