



January 30, 2020

Hon. Andrew M. Cuomo  
Governor New York State  
NYS State Capitol Building  
Albany, NY 12224

Dear Governor Cuomo:

On behalf of a broad group of organizations committed to ensuring New Yorkers have access to high-quality, affordable health care, we are writing to express our opposition to the Medicaid Redesign Team (MRT) considering new or increased taxes on the privately insured to close the funding shortfall in the Medicaid program.

While we recognize the current challenge the state faces in addressing the Medicaid deficit, the MRT should focus exclusively on reforming and controlling costs in the Medicaid program, not adding more revenue from the privately insured. A workgroup charged with reassessing the way the program's current structure is driving unsustainable costs should not undertake policy discussions that will add to the cost of health insurance for New York businesses and the individuals they employ, union benefit funds and individual consumers. Moreover, commercial insurance currently subsidizes health care providers for inadequate Medicaid funding. Any further reduction in Medicaid funding to hospitals will further increase that commercial subsidy. Therefore, taxes of any kind – e.g. HCRA taxes, personal income taxes, corporate taxes – should not be part of the MRT's directive.

New York currently collects more than \$5 billion dollars annually through various taxes, surcharges and assessments on health insurance, representing the third largest source of state revenue behind the sales and income taxes. These taxes apply to every entity providing coverage including employers, union benefit funds, and the more than 250,000 consumers in the individual market, and amount to well over \$1,000 per premiums for the average family receiving health care coverage in New York.

As your Administration finalizes the MRT's membership, scope and process, we urge you to direct it to focus on measures to improve the efficiency and sustainability of the program, and make clear that any discussion of taxes is beyond its authority.

Sincerely,

The Business Council of New York State  
The Business Council of Westchester  
Big I New York  
Capital Region Chamber  
Greater Binghamton Chamber  
Unshackle Upstate  
New York Health Plan Association

Buffalo-Niagara Partnership  
National Federation of Independent Businesses-NY  
Rockland Business Association  
Northeast Dairy Foods Association  
Employer Alliance for Affordable Health Care  
New York State Association of Health Underwriters  
New York State Conference of Blue Cross and Blue Shield Plans