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**Testimony on the 2021-22 Executive Budget:
Joint Assembly Ways and Means and Senate Finance Committee
Hearings on Health and Medicaid
February 25, 2021**

**Submitted by Bob Cohen, Esq., Policy Director
on behalf of Citizen Action of New York**

Chairwomen Liz Krueger and Helene E. Weinstein and other members of the Senate Finance and Assembly Ways and Means Committees: thank you for the opportunity to submit testimony for these important hearings on the Fiscal Year 2021-22 Executive Budget. I am the Policy Director of Citizen Action New York (“Citizen Action”), a grassroots membership organization with thousands of members in eight chapters and affiliates throughout the state. Citizen Action is steering committee member of Health Care for All New York (HCFANY), a statewide coalition of over 170 organizations dedicated to achieving quality, affordable health coverage for all New Yorkers.

This testimony focuses on several particularly high Citizen Action priorities in the area of health care and Medicaid: coverage for immigrants, funding health insurance programs through a state “individual mandate,” Medicaid cuts, and patient medical debt. We also join numerous partners through the state in calling for dramatic action to make our tax system fairer and to raise necessary funds for health care and our state’s other urgent needs.

I. Ensuring That All New Yorkers Have Health Coverage

Despite the progress made under the federal Affordable Care Act (ACA), 1.1 million New Yorkers still remain without health insurance coverage and health care is still unaffordable for many with coverage. The COVID pandemic dramatically illustrates the consequences of inadequate access on health coverage and care, including in our state. New York must continue to address coverage gaps and provide sufficient funding to ensure that New Yorkers, particularly in “hard to reach” communities, know about the availability of health insurance and

how to use their coverage.¹ Citizen Action supports both a total overhaul of our state health insurance system through New York Health, a public program that would cover all New Yorkers and eliminate all premiums, deductibles and co-pays,² and more limited but priority coverage expansions, as New York Health is implemented on a multi-year basis. We also support several measures to ensure healthcare is available, accessible and affordable to all New Yorkers:

- Health Coverage for Immigrants: Over 400,000 New Yorkers are presently uninsured due to their immigration status. Immigrant communities are among those hardest hit by the COVID-19 pandemic and disproportionately serve as essential workers. Immigrants also make up the largest share of New Yorkers without health coverage. We therefore recommend that the budget include a new state-funded low cost Essential Plan to cover thousands of New Yorkers who presently lack access to coverage because of their immigration status, as outlined in A880/S1572. The existing Essential Plan provides comprehensive coverage for no more than \$20 a month with no deductibles to people who earn up to 200% of the Federal Poverty Level. However, given the extreme urgency of the pandemic, **at a minimum, New York State should allocate \$13 million through the budget to cover on a temporary basis (i.e., until 60 days after the end of the declaration of the COVID emergency) people who have COVID-19, and are excluded from coverage because of their immigration status, as outlined in A1585/S2549.** Enactment of the immigrant COVID coverage bill is a matter of simple justice and would advance our state's emergency response to COVID by ensuring that this population -- which is particularly vulnerable to the pandemic -- is covered and therefore willing to seek care.
- Making Health Insurance More Affordable: We support the Governor's Executive Budget proposal to eliminate the existing \$20 monthly fee charged to some Essential Plan enrollees. However, **we recommend that the budget also eliminate the existing \$30 premium for vision and dental coverage**, funding this reform by reducing the rate increases allocated in the Executive Budget for providers. The Affordable Care Act (ACA) mandates that any surplus generated in federal funding for the Essential Plan be devoted to improving benefits for enrollees. Eliminating fees for this population would eliminate an economic burden on these economically vulnerable New Yorkers, while reducing administrative burdens on health plans which must collect these small fees every month.

¹ I refer your committees to HCFANY's more detailed testimony for this hearing, which includes HCFANY's proposals in regard to funding for consumer assistance and outreach.

² The New York Health bill, sponsored by Richard Gottfried, the chair of the Assembly Health Committee, and Gustavo Rivera, the chair of the Senate Health Committee, was introduced as Assembly bill 5248 and Senate bill 3577 in the 2019-20 session. The bill has not received a bill number yet in the 2021 session.

II. State Individual Mandate

Citizen Action, along with our HCFANY partners, supports a new individual state mandate to maintain health coverage to incentivize New Yorkers to get covered and to generate revenue for the state, as Massachusetts and other states have done. When the ACA was signed into law in 2010, a federal health insurance mandate was included, requiring all individuals to obtain health coverage or else pay a penalty through their yearly tax returns. However, in 2017, the Congress and former President Trump undermined the ACA by removing federal penalties for not maintaining health coverage. A state mandate would raise \$270 million for health programs and help reduce the state's remaining 5% uninsurance rate for non-elderly adults.

III. Medicaid Funding

We join our partners in HCFANY and in the Medicaid Matters coalition in supporting elimination of the existing Medicaid global spending cap. As a general principle, the state should adopt a Medicaid budget that reflects the health care services New Yorkers need, rather than placing arbitrary caps on spending.

Over a million New Yorkers lost their jobs during 2020, a big reason why the 700,000 more people enrolled in Medicaid between March and November of 2020 than in 2019. Especially as the COVID pandemic continues, New York must not decimate the Medicaid benefits that low income people and people with disabilities depend on for their survival and quality of life. **We therefore oppose any cuts to Medicaid and any changes that reduce eligibility benefits, or that increase financial barriers to care.**

IV. Funding Quality Health Care and Other Priorities Through Progressive Taxation

The COVID-19 pandemic has exacerbated the state's long-term significant unmet needs, not just in health care, but in other vital areas like education, housing and social services. The state now faces a \$60 billion budget shortfall over the next four years. Even if New York receives another round of federal stimulus, it is unlikely to cover the shortfall from the pandemic, much less address the long term needs of our state without significant additional revenue in the form of tax increases on the wealthiest New Yorkers and on large corporations. Increasing the share of taxes paid by the wealthiest in New York is fully justified given that they have vastly benefited from the regressive tax policies on the national and state levels of the past few decades.

This multiyear pattern of favoring the wealthy over average New Yorkers simply must stop. The 2021-22 state budget must fully address the pain caused to New Yorkers directly caused by COVID, while avoiding cuts to programs like health care, education and social services that will be disastrous to state residents and to the state economy. And the budget must revive the state economy by addressing long term systemic problems in areas like climate, mass transportation, and public housing.

Citizen Action, along with its allies in Invest in Our New York, supports the “Invest in Our New York Act,” a series of bills that will raise \$50 billion in new revenue while radically changing a state tax structure that has for decades favored millionaires and billionaires and the largest corporations in our state.³

V. Medical Billing Protections

All too many consumers, in New York and elsewhere, have been victimized by confusing, unclear or inaccurate hospital bills. Over 50,000 New Yorkers have been sued by hospitals since 2015. The pandemic has only exacerbated this problem; on January 5, 2021, the New York Times detailed that more than 5,000 cases were filed during the pandemic between March and November of 2020. Over 15% of New York State residents in 23 counties have delinquent medical debt. Drastic racial disparities exist when it comes to medical billing. For example, in Onondaga County communities where most people are white, 14% have delinquent medical debt on their credit reports. In areas where most residents are people of color, that increases to 41%. Delinquent medical debt has had numerous negative impacts on many New Yorkers who were already economically vulnerable before the pandemic and now in many instances are struggling to cover basic necessities like rent, clothing and utilities.

The Legislature should therefore – preferably through the budget -- pass the Patient Medical Debt Protection Act (A3470/S2521), which would address several of the most egregious industry practices, including multiple bills arising from a single hospital stay, added facility fees not tied to services performed and large out-of-network bills when consumers are misinformed that a provider was in network. Specifically, the bill includes the following provisions:

³ The six bills that comprise the Invest in Our New York agenda: 1) enact a more progressive income tax (A4604/S2622); 2) substantially revise our state’s capital gains tax (A.3352/S2522), 3) establish an “heirs’ tax” (A463/S3462); 4) establish a “billionaires’ mark to market tax” (A5092/4482), 5) establish a “Wall Street tax,” a small tax on trades of stocks, bonds and derivatives (A5092/4482), and 6) add surtaxes to the existing state corporate income tax to offset of the negative effectives to the state treasury and to equity of the Trump tax cuts, more formally known as the Tax Cuts and Jobs Act (A4595/S2823). More details in this agenda may be found at <https://investinourny.org/>.

- Patients would be required to receive a single consolidated, itemized bill or statement from hospitals detailing the specific services patients received during their stay. The itemized bill or statement would have to be provided within seven days of the patient’s hospital discharge or request, and could not contain charges with terms like “miscellaneous” or “other” that do not specify the medical services provided.
- Consumers who receive out-of-network bills after being incorrectly assured that their provider was in-network would be held harmless.
- Providers would be prohibited from charging deceptive “facility fees” that did not represent medical services.
- The maximum interest rate that could be charged for medical bills would be cut from an obscene 9% to a level consistent with U.S. Treasury bill rate.

In closing, Citizen Action of New York thanks you for the opportunity to offer our views on these critical healthcare budget issues. You may reach Bob Cohen, Citizen Action of New York Policy Director, at bcohen@citizenactionny.org or at (518) 265-6183 should any of your committees want more information on the issues in this testimony.