



NEW YORK STATE SENATOR

James L. Seward

Seward Leads GOP Effort to Reduce Soaring Health Care Costs

JAMES L. SEWARD March 19, 2008

ALBANY, 03/19/08-- Senate Democrats today rejected a pair of Republican-sponsored amendments that would have reduced skyrocketing health care costs in New York, ensuring that affordable health coverage will continue to remain out of reach for many small businesses, New Yorkers and their families.

"The high cost of providing health insurance to employees is a primary concern of small businesses," said Senator James L. Seward (R-C-I, Oneonta), ranking Republican on the Senate Insurance Committee. "By voting against the amendments offered by senate Republicans that would reduce those costs, the Democrats maintained their strong support for tax increases that will make it more difficult for small businesses to offer health insurance for their employees. The result will be higher premiums for health insurance and more uninsured New Yorkers. My senate Republican colleagues and I will continue to push to reverse this disastrous course pushed by senate Democrats."

The initial amendment would have rolled back the governor's ill-advised "health insurance tax," approved last month as part of the so-called deficit reduction package (DRP). The \$240 million increased assessment on insurance companies will raise the cost of health insurance premiums for families, individuals and businesses by more than a third. The tax hike was passed as a result of unanimous Democrat support.

According to the New York State Insurance Department, small business health premiums have increased an average of 13.5% annually since 2000.

The Democrat-backed “health insurance tax” will impact New Yorkers from every corner of the state by raising the cost of both individual and family health insurance coverage, in some cases up to \$200 more a year.

“At a time when the federal government and many states are seeking to find innovative ways to make health care insurance more affordable, Governor Paterson and the senate Democrats have maintained the status quo and hiked health care taxes at a time when New Yorkers can least afford it. Today, given the opportunity to rescind this new tax, they have refused to do the right thing,” Senate Republican Leader Dean G. Skelos said.

In addition to defeating the roll back of the health insurance tax, senate Democrats unanimously opposed a plan by senate Republicans that would expand access to affordable, quality health care by reducing the cost of health insurance policies for small businesses offered by the Healthy NY program.

The senate Republican plan would expand eligibility for Healthy NY from 208 percent of the federal poverty level (FPL) to 250 percent of the FPL. This would make a family of four with annual net income of approximately \$60,000 per year eligible for the program.

The senate Republican plan would also make Healthy NY available to all, but at an unsubsidized rate. Doing so would reduce health insurance costs for small businesses at no cost to the state because qualified businesses would be able to purchase streamlined health insurance policies, which could reduce premiums by up to 50 percent.