

STATE WIDE

New York StateWide Senior Action Council, Inc.
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New Public Insurance Program

The Governor has proposed a new option available through the Affordable Care Act, known as the BASIC Health Program (BHP). This is a new, comprehensive public insurance program for adults between 133-200% of the Federal Poverty Level (FPL). Eligible enrollees have income above Medicaid, but may be too poor to afford the premiums in the Exchange. As an example, this program would be available for those with incomes from \$25,795 to \$39,060 per year for a family of three. New York State also provides Medicaid by using exclusively state funds for legally present immigrants – through the new BHP, NYS would have federal dollars to cover these state costs. The BHP would take effect January 1, 2015, and would reduce State Share Medicaid expenditures by \$300 million in SFY 2015-16.

***Recommendation:* Support the creation of the BASIC Health Program as a new public insurance option.**

Health Insurance Consumer rights to expand.

Surprise out-of-network billing. Frequently, patients are receiving “surprise” bills when they thought they were using a provider within their health insurance plan’s network, only to find out after the fact that they owed a bill for an out of network provider. Examples of this include an in-network hospital that uses out of network anesthesiology and emergency room personnel. The Governor’s budget addresses this problem by placing responsibility for resolving out-of-network medical billing disputes insurance companies and medical providers, rather than on consumers. There are additional new standards to require insurers to meet network adequacy standards for additional types of plans. The legislation would ease problems for consumers by requiring insurers to disclose key information about out-of-network coverage, so that consumers can understand: (1) which providers are in-network and which are out-of-network; (2) how much out-of-network providers expect to charge for a variety of services; and (3) how much the insurer expects to reimburse for out-of-network services. There would also be a procedure to resolve out-of-network billing disputes.

***Recommendation:* Support new health insurance consumer protections to eliminate surprise medical billing.**

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Medicaid Managed Care Ombudsman. A proposal that was developed for last year's state budget, but not yet implemented, would create an ombudsman for people with Medicaid coverage who are mandated to enroll in Medicaid Managed Long Term Care. These are adults who need more than 120 days of long term care services, whether at home or in an institutional setting. A future phase-in of the ombudsman would provide assistance for those dual eligibles (enrolled in both Medicare and Medicaid) who live in counties (NYC, Nassau, Suffolk or Westchester) where there is a mandate to join a fully integrated duals advantage (FIDA) managed care program. Funding in the proposed budget for funding to launch the ombudsman initiative is vitally important to ensure that enrollees understand their rights.

***Recommendation:* Support funding for the Medicaid Managed Care Ombudsman and re-appropriate SFY2013-14 funding that has not been allocated due to delay in releasing the grant application.**

Health Facility Funding

There are several areas where the state budget identifies funding for facilities to adapt to changes in the health care delivery system. The majority of funding the State has requested through the federal Medicaid waiver system (\$10b over five years) will be directed to hospitals under the goals of reducing unnecessary hospitalizations, promoting alternative care models, increasing access to primary care and promoting health workforce development.

In addition, the Governor is proposing that hospitals that need an infusion of funds for capital costs related to building or retrofitting a facility would have the opportunity to seek private investors. In NYS, there is state law prohibiting the ownership of hospitals by publicly traded corporations – that means there is a prohibition on profit interests in hospitals. A demonstration of hedge fund and other type of private investors in hospital construction projects blurs the definition of non-profit hospitals.

***Recommendation:* Oppose private investment in hospitals.**

Health Planning

For many years, there were Health Systems Agencies (HSA) in NYS that provided a local view of how health services should be delivered in a region. Currently, the Finger Lakes Health Systems Agency in the Greater Rochester region is the sole remaining HSA. The Governor has proposed the establishment of Regional Health Improvement Collaboratives (RHICs) to provide a local base for recommendations on health system development.

Recommendation: Support establishment of regional health planning and mandate that community-based organizations that are not medical providers, such as aging and disability services providers are appointed to ensure discussions of a full range of services.

Financial Assistance

HEAP – The Governor’s budget proposal reduces the Home Energy Assistance Program by \$100 million. The justification for this reduction is based on review of the amount of grants that have been distributed. There is a great need for HEAP funding, now heightened by weather extremes and high energy demands. Many New Yorkers have unmet heating and cooling needs. There should be an examination of the reasons that resulted in undistributed funds, and correction of the problems related to program management and eligibility criteria.

Recommendation: Restore funding to HEAP to SFY2013-14 appropriations, improve program administration to reduce barriers to distribution of funds, and ensure that a dedicated portion of funding is earmarked for senior services.

SSI – The Governor’s budget proposal authorizes a federal cost of living adjustment for SSI recipients that provides for an increase of \$2 to \$22 starting in 2015.

Recommendation: Enact the pass-thru of the federal COLA and increase the state supplement by 20% to address income inequality.

Housing – The Governor’s budget proposal includes several housing initiatives, including new construction and funding to address homelessness and to create affordable housing.

Recommendation: Support efforts to provide affordable and safe housing for older New Yorkers.

Disaster Preparedness

The Governor proposes initiatives to improve the State's disaster response capabilities, including: \$15 million to establish a new weather detection system and \$100,000 to improve first responder training. There is also an initiative to train 100,000 citizens by March 31, 2015 to respond to emergencies. The proposal requires retail gasoline outlets located within a half mile of major interstates in upstate New York to have emergency back-up power capacity. Federal Sandy recovery funds and other available resources for the costs of pre-wiring transfer switches and generators are authorized. This proposal is an expansion of requirements for downstate gas stations that were enacted in 2013. The Governor also proposed \$2.2 million to support nine regional stockpiles of emergency supplies and equipment.

***Recommendation:* Include in disaster preparedness efforts the development of a registry of seniors and persons with disabilities who may need assistance in an emergency; an improved infrastructure that supports provision of electricity, food, heat, water and communications; safe and effective evacuation planning; sufficient safe and accessible shelters, ability to get emergency prescription refills and replacement durable medical equipment; and sufficient numbers of rescue and health personnel to meet emergency needs.**

Tax Relief and Property Tax Changes

There is a connection between state revenue from taxes that is necessary to fund needed services. The Governor's budget keeps most agency spending at last year's levels in order to afford a large corporate and real property tax break for New Yorkers. Further adding stress to the tension between taxes and spending, the Governor's Real Property Tax proposals tie many of the benefits to keeping local taxing jurisdictions (property and school taxes) within a spending tax cap. Localities may feel compelled to reduce funding for services, including aging services, to stay within the spending cap.

Personal Income Tax - The Governor's proposal would raise the personal income tax filing income threshold from \$4,000 to the amount of the taxpayer's standard deduction. This would be in line with federal requirements. Currently a NYS resident may be exempt from federal tax filing, but be expected to file NYS income tax.

Recommendation: Support tax simplification efforts while ensuring that seniors are aware when there may be benefit eligibility that requires the filing of taxes.

STAR relief – The proposed budget includes a change in the school tax STAR to eliminate the inflation rate that adjusts the upper income limit qualifications for the Enhanced (Senior) STAR exemption. This proposal will maintain the threshold at the 2014-15 level of \$81,900, by eliminating the COLA in the future.

Recommendation: Oppose elimination of the cost of living adjustment to the upper income limit qualifications.

Temporary Utility Assessment (18-a): The Governor proposes to reduce the Temporary State Energy and Utility Service Conservation Assessment over the next three years by eliminating the assessment on industrial utility customers and by accelerating the phase out of the assessment for all residential customers.

Recommendation: Eliminate the surcharge on residential customers who are seniors and persons with disabilities who live on fixed incomes as a priority over expediting the elimination of the tax on industrial utility customers.

Estate tax relief – The budget proposal would eliminate the estate tax for 90% of filers. Phased in by January 2019, the state estate tax would be the same as the federal exemption of estates valued at \$5.25 million. Currently the state exemption is \$1m.

Recommendation: Oppose eliminating the tax on estates over \$1 million.

Real property tax credit – The proposed budget would assist homeowners in the state (but not in New York City) with a tax credit in the form of a check mailed to households in the Fall, reflecting a freeze in property taxes. The freeze will be in effect for two years, with the state providing an income tax credit equal to the increase in local taxes for those homeowners with income under \$500,000. This only applies to residents of localities that keep spending below the tax cap. In the second year, the benefit is available only if the local government develops a plan to share services or consolidate operations in addition to spending less than the cap. The maximum credit available will be \$1,000.

Recommendation: Oppose the real property tax credit for household incomes over \$250,000 and its requirement that only residents of jurisdictions that adhere to the property tax cap would qualify. Localities know best if services, some of which like aging services are not mandatory, are community priorities; tying the promise of needed property tax relief to the threat of reduced services is unconscionable. Furthermore, relief of property taxes is better provided through a circuit breaker model, based on reducing the percent of income that is devoted to payment of property-based taxes.

Circuit breaker real property tax relief - Once the proposed real property tax credit is phased out after two years, there is a proposed refundable tax credit for households statewide with incomes up to \$200,000. The income tax credit would kick in when property taxes exceed between 3-5% of income, depending on income level. The average credit would be \$500.

Recommendation: Support a new circuit break real property tax relief program immediately for households with income up to \$250,000, however the benefits should be decoupled from the proposed requirement that only residents of a jurisdiction that adheres to property tax caps would qualify.

Renters tax relief – Once the proposed real property tax credit is phased out, a budget proposal will assist renters throughout the state, with household incomes under \$100,000. This refundable renter’s tax credit is proposed for married taxpayers who are filing jointly and have related dependents, heads of household or married seniors filing jointly. Single seniors with no dependents and with incomes up to \$50,000 would also qualify. As an example, the average benefit for a single, senior renter would range from \$140 to \$220.

Recommendation: Support and start immediately.

Campaign Finance Reform and Public Campaign Financing:

Included in the Governor’s budget is a proposal to create a voluntary public campaign finance system for all state legislative and statewide offices where contributions are matched, and reduces the annual limit on allowable contributions. The Executive proposal also limits the use of contributions to expenses that are directly related to elections or public duties and mandates broader disclosure of donors to independent organizations. An income tax check off is proposed to enable resident taxpayers to make a donation to a new Campaign Finance Fund.

Recommendation: Support campaign finance reforms and institute public campaign financing.