



BALCONY SUCCESSFULLY DEFEATS \$1 HEALTH CARE CLAIM SURCHARGE

The Business and Labor Coalition of New York, **BALCONY**, successfully opposed Governor Paterson's plan to add a \$1 processing fee to all health, pharmaceutical, dental, and vision claims over \$20 submitted by third party administrators. "The claim by Albany is that such a fee would have added at least \$63 million to state coffers," said **BALCONY** labor chairman **Alan Lubin**. "But it would have contributed to rising health care costs at a time when containing these costs is foremost on most policymakers' minds. It also would have added yet another layer of bureaucracy, without guaranteeing better or more comprehensive service."

The controversial Third Party Administrator Tax would have treated companies or municipalities that self-insure the same as those that use conventional insurance. Since many unions are self-insured, they foresaw that the costs of administering this surcharge, and the surcharge payments themselves, might well be passed along to them. Unions see this as a back-handed avenue to chip away already-established union benefits.

Albany Lobbyist **Richard Winsten**, of Meyer Suozzi, English & Klein, who represents many labor/management and other self-insured union benefit funds, led the opposition to the Governor's TPA tax plan stated, "Union members and self-insured funds would have been adversely impacted by the ill-conceived proposal which was rescinded by the governor and killed by the legislature."

BALCONY has talked with its union members, who all oppose this surcharge and who also point out that such a tax penalizes employers who provide insurance while doing nothing to compel those employers who do not offer insurance to improve their offering. Typical of the union response was this statement from **Anthony Potenza**, the Executive Director of the New York Labor Health Care Alliance: "It was gratifying to see the defeat of the budget proposal to levy a \$1 per claim tax on self-insured and self-funded health care plans. Our New York Labor Health Care Alliance with great support from the New York State AFL-CIO worked hard to defeat this onerous budget measure. We are extremely grateful to **BALCONY** and coordinator **Lou Gordon** for their early and critical support of our position in opposition to what would have been an unfair added cost to our union health benefit plans affecting each and every participant."

Bill Hohlfeld of the Local 46 Labor Management Trust stated "We couldn't be more pleased that this \$1.00 surcharge has been defeated. While a dollar may seem like a small amount of money to some, it represented a real issue for us, and we are happy to have been party to the process that made this thing go away. Principles should be neither sacrificed nor ignored - at any price."

Andy Johnson, Administrator for the Teamster Center Services Fund, added "It is encouraging to see that Albany has dropped the proposed \$1 per claim surcharge. We all must do our part to balance the budget but it is foolish to try and derive income from driving up the health care costs of working families."

"It was good that labor and management, through **BALCONY**, worked together to defeat some of these draconian taxes on health insurance claims for our members. We need to continue to work together to assure that health care for all is affordable and attainable," concluded **Art Wilcox** of the New York State AFL-CIO.