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Empire Center Report Exposes Albany's Secret Healthcare Taxes

New York state government has become addicted to more than \$4 billion in taxes and surcharges that drive up healthcare costs, according to a new report from the Empire Center for Public Policy.

The report, "Hooked on HCRA," examines the Health Care Reform Act (HCRA), which was adopted by the state Legislature in 1996 and created taxes and surcharges that together have grown to become the state's third-largest tax.

"State government started using these taxes in the 1990s, and they got hooked on them," said report author Bill Hammond, the Empire Center's health policy director. "These taxes aren't being spent the way they were originally intended, and they're making health insurance less affordable for the very people the state wants to get insured."

Hammond explains:

- The Health Care Reform Act (HCRA) began as an effort to bring market-driven change and efficiency to New York's hospital industry, but has evolved into little more than a mechanism for generating revenue.
- HCRA's insurance taxes hit working- and middle-class consumers as hard as the wealthy, adding substantially to the cost of health coverage for everyone – but typically remaining hidden from public view.
- While some money collected under HCRA is supposed to help compensate hospitals for treating the uninsured, the funds are distributed haphazardly. Some hospitals collect far more than the cost of charity care they provided, while some safety-net institutions receive just pennies on the dollar.

The Empire Center, based in Albany, is an independent, non-profit, non-partisan think tank dedicated to promoting policies to make New York a better place to live, work and do business.