



**NYSAC**  
NEW YORK STATE  
ASSOCIATION OF COUNTIES

Hon. Lucille M. McKnight, President  
Stephen J. Acquario, Esq., Executive Director  
Kenneth A. Crannell, Legislative Director

## ***Memorandum in Opposition***

**S.6457-A (Farley) / A.9393-A (Abbate)**

### ***An Act establishing the taskforce on retiree health insurance protection***

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The New York State Association of Counties has reviewed the above referenced legislation and **strongly opposes** its enactment into law.

This bill will create a 12 member taskforce on retiree health insurance tri-chaired by the Chair of the Senate Committee on Civil Service and Pensions, the Chair of the Assembly Committee on Government Employees and the President of the State Civil Service Commission.

The remaining membership will consist of: 2 members appointed by the Governor, one of which shall be appointed upon recommendation of the New York State AFL-CIO; 2 members appointed by the Temporary Chair of the Senate, one of which shall be appointed upon recommendation of the New York State AFL-CIO; 2 members appointed by the Speaker of the Assembly, one of which shall be appointed upon recommendation of the New York State AFL-CIO; the New York State Comptroller; and one member each appointed by the minority leader of the Senate and the minority leader of the Assembly.

The taskforce will be required to report its findings and recommendations on cost effective strategies for protecting adequate and affordable health insurance for retirees and their dependents by June of 2009.

This bill will also prohibit counties and all municipal employers from diminishing the health insurance benefits, or the contributions made by the municipal employers for such benefits for public retirees unless a corresponding diminution of benefits or contributions is affected from the present level for active employees. This bill shall be in effect between May 1, 2008 and June 2, 2009.

Counties and all other municipal employers are finding themselves overburdened by the skyrocketing cost of health care coverage. Despite the increasing cost of these benefits, almost all counties provide some form of health insurance benefits to their retirees, often at little or no cost to the individual.

Although counties have continually demonstrated their long-term commitment to their public employment retirees by providing them with consistent levels of health insurance benefits, NYSAC must strongly **oppose** this bill's enactment into law.

The taskforce established under this bill, provides for membership that is heavily weighed to the interests of public employee organizations, with requirements that members appointed by the Governor and the legislative leadership, be at the behest of the New York State AFL-CIO. No where in the taskforce's membership, are representatives of local government or the taxpayers who will ultimately have to foot the bill for retiree health benefits, required to be part of this taskforce's deliberations as a member.

Representatives of local governments are only given a minor non-decision making role under the bills provisions as organizations that must be consulted with during the taskforce's deliberations.

The charge to this taskforce does not even address the ultimate issue of determining how taxpayers will be assisted in bearing the burden of ever increasing health care costs. The charge to the taskforce is to simply determine cost effective strategies for protecting retiree health insurance benefits without consideration of the implications on taxpayers.

The broad language contained in this bill locking in all municipal employers to the existing benefit structure and contribution level for health insurance for retirees through the health care moratorium it enacts, unduly eliminates potential cost savings options of local government's desperately seeking ways to meet the financial challenges they all face.

The language contained in this bill would effectively prohibit local governments from seeking to manage their prescription drug benefit costs for example, by packaging the federal Medicare prescription drug benefit, along with its own drug benefit program, even if the benefits provided would be relatively similar to the existing benefit received by the retiree.

The language prohibiting the diminution of employer contributions, would not allow a public employer to explore other more cost effective health insurance coverage options, including municipal health insurance cooperatives, which may result in savings to the taxpayers, even if these options are largely identical in scope to those currently received by the retiree.

It would even prohibit municipal employers from enrolling existing retirees who become Medicare eligible for the first time during this moratorium in the federal benefit program, eliminating employer efforts to make effective and efficient use of existing health insurance resources in efforts to save the taxpayers money while providing the same levels of health care.

This is not only bad public policy but is a wasteful use of taxpayers' dollars in times of budgetary and economic distress which demand the more effective utilization of scarce resources.

At its annual legislative conference, the NYSAC membership unanimously adopted a resolution calling upon the legislature and the Governor to refrain from enacting any new personnel mandate on local governments as a first step in achieving their often promised reduction in the local property tax burden.

The taskforce this bill creates and the moratorium it enacts, could result in higher personnel costs for county governments and increased local property taxes, in direct conflict with the promises of the legislature and the Governor to reduce the property tax burden on our beleaguered local taxpayers.

For the aforementioned reasons, NYSAC strongly opposes the enactment of this legislation into law.

The New York State Association of Counties (NYSAC), founded in 1925, is a bi-partisan municipal association representing the 62 counties of New York State. NYSAC is the only statewide association representing the interests of close to 5,000 elected and appointed county officials, including county executives, legislators, supervisors, administrators, commissioners and other county employees who deliver essential services to the public.

TO: Full Senate  
Full Assembly

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