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N.Y. employers billed for assessment increase

By Jerry Geisel
April 13, 2009

ALBANY, N.Y.—Employers with employees living in New York are receiving bills from the state's Department of Health requiring them to pay in a lump sum a retroactive increase in a special supplemental health care-related assessment.

The covered lives assessment on employers with employees living in New York is used to help fund a state pool that helps to pay for graduate medical education.

Earlier this year, New York legislators approved a budget bill that boosted that assessment by about 13%, according to calculations by benefit consultant Mercer L.L.C. For example, the annual assessment for employers with employees in New York City choosing family coverage climbed to \$613.56 from \$543.20. That increase was retroactive to Jan. 1 and was reflected in the bills sent to employers the next month.

In the same budget measure, legislators also retroactively boosted the size of a special supplemental six-month assessment that expired last month. Under the original special assessment, which was in effect from October 2008 through March 2009, employers with employees in New York City, for example, paid an additional \$22.60 for each employee choosing single coverage and \$74.58 for those choosing family coverage. One-sixth of the assessment was paid each month over that six-month period.

The budget legislation jacked up the special assessment rates by about 170%. For example, the assessment on employers with employees in New York City opting for single coverage rose to \$61.31 from \$22.60, while the special assessment for family coverage climbed to \$202.32 from \$74.58.

Because the state didn't update its electronic reporting system at the time the legislation was approved, employers now are being billed for the entire difference in the original special assessment and the new special assessment, according to Mercer. That difference will have to be paid by May 10 before penalties accrue.

Separately, another budget measure signed last week by Gov. David Paterson increased, effective April 1, to 9.63% from 8.95% the surcharge that is imposed on bills incurred in New York hospitals. The surcharge is used to help fund indigent care.
