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Governor's 2019-20 NYS Proposed Executive Budget

Governor Cuomo has just released his \$175.2 billion executive budget, which will serve as the basis for the final state budget. This proposed budget contains three items of interest to the NYS medical professional liability market.

- First, the executive budget includes a one-year extension of the Department of Financial Services (DFS) Superintendent's authority to "set and establish" primary and excess rates for physicians' and surgeons' medical professional liability insurance. It is very likely that this provision will be passed with bi-partisan support.
- Second, the proposed budget also contains a one-year extension of the Physician's Excess Medical Malpractice Program, commonly known as the "Section 18 Program," and a status quo proposed appropriation of \$127.4 million to fund this program. This appropriation amount is the same as last year.
- Third, the executive budget supports the NYS Medical Indemnity Fund (MIF) with a proposed appropriation of \$52 million, the same as last year. It should be noted that the executive budget proposes to extend the enhanced rates of the MIF through December 31, 2020, and would transfer authority over the program from the Department of Financial Services to the Department of Health.

The Legislature will now conduct public hearings on each portion of the Executive Budget, such as Health, Education, Transportation, Economic Development/Taxes and other programmatic areas. Those hearings will conclude on February 12. In March, the Assembly and Senate will pass their own versions of the budget, followed by negotiations between the two houses and the Governor, in order to enact a complete state budget by the deadline of April 1.



Political Developments

Governor Cuomo combined his budget presentation with his 2019 State of the State address, outlining his agenda for the 2019 NYS Legislative Session. He stressed the importance of New York continuing to be the most progressive state in the nation. In the healthcare arena, he is proposing to codify the federal Affordable Care Act (also known as "Obamacare") into state law.

The Executive Budget also calls for the creation of a commission to examine options for achieving universal access to high quality, affordable health care in New York. With many Democrats and progressive groups clamoring for New York to adopt a single payer healthcare system, this item, coupled with the codification of the Affordable Care Act, seems intended to relieve the political pressure to enact legislation implementing single payer.

The Legislature, with the Democrats enjoying substantial majorities in both houses, is already fast at work passing numerous bills that had in past years only passed in the Democrat-controlled Assembly. These bills concern voting reform and heightened reproductive rights protections.

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