

---

# Slash-and-Burn or Big-and-Bold? State and Federal Fights For a Just Recovery

---

May 19, 2020



# Speakers

---

## **State budget background**

- Lara Kassel, Medicaid Matters New York
- Ron Deutsch, Fiscal Policy Institute
- Mike Kink, Strong Economy for All

## **Federal COVID-19 relief legislation**

- Mark Hannay, Metro NY Health Care For All
- Margarida Jorge, Health Care for America Now

## **Actions New Yorkers can take**

- State: Bob Cohen, Citizen Action of New York
- Federal: Mary Clark, Citizen Action of New York

# FY21 New York budget recap

---

- Over \$2 billion in Medicaid cuts
  - These cuts were proposed before the pandemic as a result of a self-imposed spending cap that does not allow programs to grow with need
  - Nearly a third of the cuts were to community-based long-term care services
  - Gov. Cuomo threatened to reject supplemental federal Medicaid funding because of maintenance of effort language prohibiting Medicaid cuts, but instead delayed the cuts until the extra funding ends
- As a result of the pandemic, Gov. Cuomo has special powers to cut the budget throughout the year
  - Legislators have 10 days to respond to any proposals

# The COVID crisis comes after years of self-imposed austerity

---

- Arbitrary state spending caps have stopped programs from growing according to need
- New York already had the worst economic inequality in the country before the pandemic started; now 1.6 million New Yorkers are out of work, the vast majority of whom made under \$70,000 a year ([link](#))
- The pandemic is drastically reducing revenue:
  - On Friday, Comptroller Tom DiNapoli said the state collected \$8 billion less than expected
  - Gov. Cuomo has said that without sufficient federal help he will have to impose 20% across the board cuts
  - Yesterday Budget Director Robert Mujica said the state is delaying \$1 billion in spending and that without federal aid he will impose \$10 billion of actual budget cuts

# What can New York do without federal legislation?

---

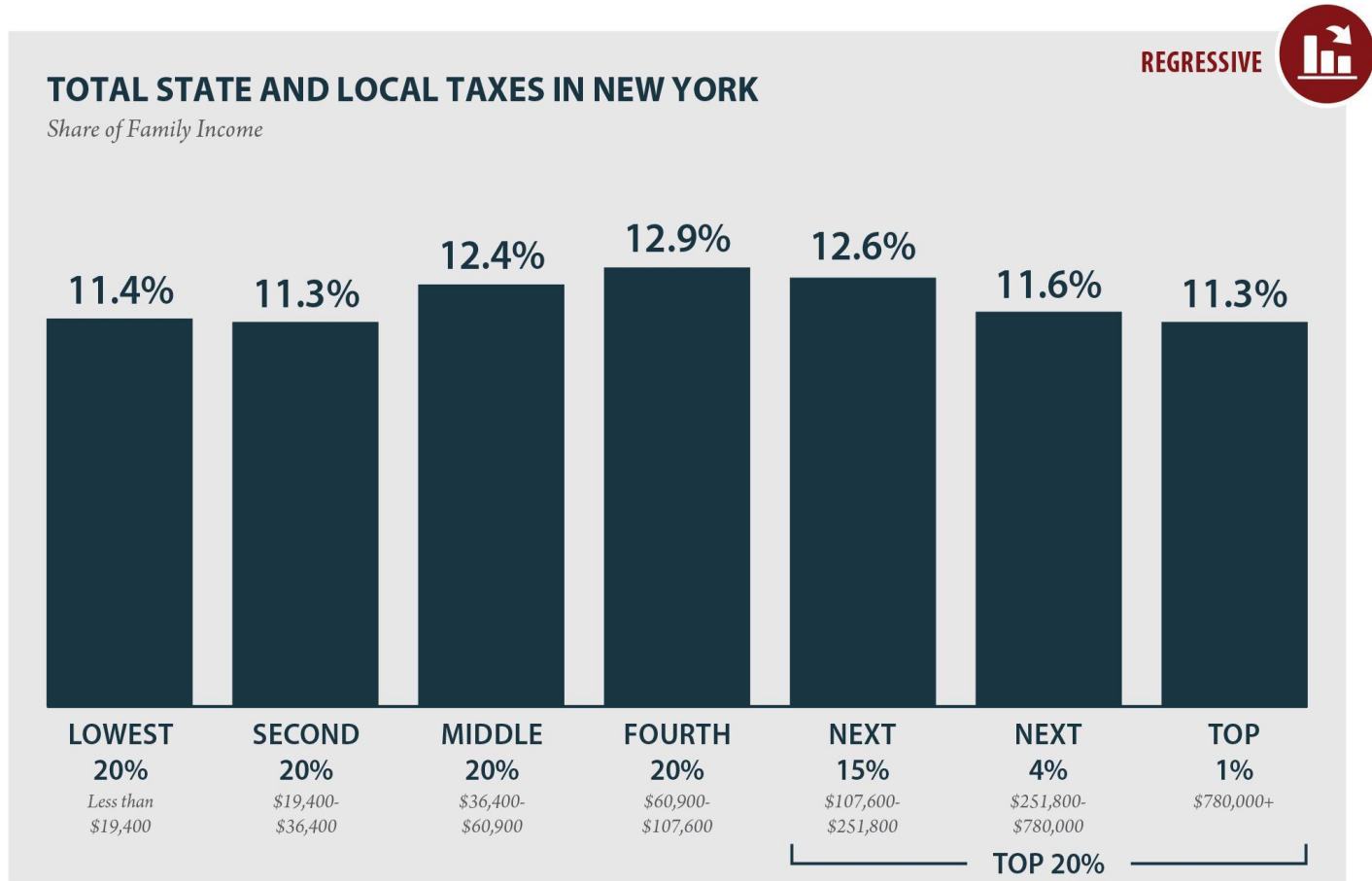
- Borrow from the Federal Reserve
- Create new revenue sources

# Existing legislation could raise significant revenue

---

- **Billionaires Tax - \$5.5B**
  - S. 8277/A. 10414 (Ramos/De La Rosa) ([link](#))
  - Would raise income taxes by outlawing unjust tax shelters and only apply to the 112 New York billionaires now holding \$525 billion in wealth
- **Ultramillionaires Tax - \$4.5B/\$2.7B/\$2.5B**
  - S. 7378/A. 10363 (Jackson/Rosenthal)([link](#)), S. 8164/A. 10364 (May/Simotas)([link](#)), and S.8329/A.10450 (Mayer/Glick)([link](#))
  - Would increase taxes for those earning above \$5 million, \$10 million and \$100 million per year
- **Pied-à-terre Tax - \$650M:**
  - S. 44/A. 4540 (Hoylman/Glick) ([link](#))
  - Would add a sliding-scale tax on non-primary residences worth over five million dollars

# Multimillionaires pay less in New York taxes than low-income New Yorkers



# There is public support and precedent for taxing the rich during emergencies

---

- Nine out of ten New Yorkers say that the ultrarich should pay more to prevent cuts to public schools, hospitals, and front-line government services ([link](#))
- New York has used taxes on the wealthy to respond to previous emergencies
  - Legislative leaders raised taxes on the wealthy by 1.1% in 2003 during the post-9/11 recession over George Pataki's vetoes.
  - David Paterson raised taxes on the wealthy by 1.1% after the financial collapse in 2009 with the first Millionaires Tax.



# Federal COVID-19 Response Bills Already Enacted

---

- March 6: [Coronavirus Preparedness and Response Supplemental Appropriations Act](#) (\$8.3B) – funding for testing, treatment, biomedical research, and basic state and local public health functions
- March 18: **Families First Coronavirus Response Act** (\$190B) – free testing; 6.2% increase in Medicaid funding to states (“FMAP”) with a “maintenance of effort” (MOE) requirement; paid sick and leave and sick days
- March 27: **Coronavirus Aid, Relief, and Economic Security Act (“CARES”)** (\$2.3T) – funding for hospitals and health care providers; grants to state and large cities; maintained FMAP MOE
- April 24: [Paycheck Protection Program and Health Care Enhancement Act](#) (\$483B) – funding for hospitals and health care providers and testing

# NY Advocacy Priorities for Future Federal Actions

---

- **Medicaid** – increase, expand, and extend FMAP; maintain MOE; fund testing and treatment for all low-income immigrants via Emergency Medicaid; create a permanent automatic FMAP increase trigger for economic downturns
- **Coverage for uninsured** – premium subsidies for COBRA coverage for newly-unemployed and furloughed workers to maintain employer-sponsored coverage; improve ACA access and affordability; open up Medicare (“Health Care Emergency Guarantee Act”); funding for community outreach and consumer assistance and navigator programs
- **COVID-19 testing and treatment** – protect patients from surprise medical bills; prevent any exclusive patents or price-gouging for any new treatments and vaccines
- **Health care services** – create and enforce new OSHA standards, and fund additional PPE for frontline health care workers; more funding for safety net hospitals and community health centers

# Next up? Health and Economic Recovery Omnibus Emergency Solutions Act ("HEROES") (HR 6800) (\$3T)

---

- General support for state, city, and county budgets (\$1T)
- Raise FMAP increase to 14%
- Exempt NY from FMAP MOE (p. 1815, Sec. 200015, lines 4-14)
- Testing, tracing, treatment (\$75B), including via Emergency Medicaid
- Requires new OSHA standards for frontline workplaces
- Hazard pay for frontline workers (\$200B)
- COBRA subsidies – 100% for up to 9-months

# More Help for State and Local Governments

---

## *McConnell Says States Should Consider Bankruptcy, Rebuffing Calls for Aid*

The majority leader's comments drew a strong rebuke from Gov. Andrew M. Cuomo.



# McConnell sees no urgency for Senate action

---

TOP NEWS

## No urgency for new coronavirus aid package, McConnell says

By Associated Press · May 13, 2020



# Trump has already declared the HEROES package DOA

## 'DOA': That's what Trump says about House Democrats' coronavirus relief package

The proposed \$3 trillion package includes a second round of direct cash payments to Americans.



# State Actions: Protect Medicaid

---

- **Sign up** to participate in the **#NoMoreCuts Rapid Response Twitterstorm and Social Media Campaign** against Cuomo's likely billions of dollars in additional cuts to Medicaid and other health and human service programs



<https://www.nyhcampaign.org/twitterstormmay2020>



# State Actions: Demand New Revenue

---

**Tell your state Senator and Assemblymember:**

“I am asking you to pass \$10 billion in new taxes on billionaires and the super-rich to prevent \$10 billion in budget cuts that will hurt our families and communities”



- Call your Senator at 518-455-2800 and your Assembly Member at 518-455-4100 and
- Post to their Facebook and Twitter



# State Actions: Fight For Universal Health Care



[https://www.nyhcampaign.org/virtual\\_rally\\_for\\_the\\_ny\\_health\\_act](https://www.nyhcampaign.org/virtual_rally_for_the_ny_health_act)

# Federal Actions: No NY MOE Exemption

---

- Click [here](#) to send emails to your **Congressional representatives** to urge the New York-specific Medicaid maintenance of effort (MOE) exemption be removed.



*Medicaid*  
Medicaid Matters New York  
*Matters*



**STATE WIDE**  
New York StateWide Senior Action Council, Inc



CAMPAIGN FOR  
**NEW YORK HEALTH**

**SAVE NY**  
**PUBLIC HEALTH**  
CAMPAIGN

# Federal Actions: No NY MOE Exemption

---

Join New York State Health Care for America Now:

- **Week of May 18<sup>th</sup>:**
  - **Call and Tweet Your Member of Congress and Senators Schumer and Gillbrand** to remove the MOE provision from the Final COVID (HEROES) Act that now allows Gov. Cuomo to make Medicaid cuts. Visit: <https://p2a.co/KRBUFvX>
- **Week of May 25<sup>th</sup>:**
  - **Call Senator Schumer** to support the HEROES Act and to remove the MOE provision from the final COVID (HEROES) bill.
  - **Attend a meeting with Schumer's regional staff in your region of NYS** to support the HEROES Act and remove the MOE provision from the final COVID (HEROES) bill. Contact Mary Clark for more info at [cabing@citizenactionny.org](mailto:cabing@citizenactionny.org) or 607-232-2084.