



STATE OF NEW YORK  
EXECUTIVE CHAMBER  
ALBANY 12224

VETO # 265

November 28, 2016

TO THE SENATE:

I am returning herewith, without my approval, the following bill:

Senate Bill Number 2448-A, entitled:

“AN ACT to amend the general municipal law, in relation to providing notice of health insurance contracts for retired officers, employees, and their families”

NOT APPROVED

This bill would mandate the time and manner in which a municipality must notify their retired officers, retired employees, or their families of a change to their health benefits. Municipalities would be required to provide: (i) a minimum of ninety (90) days' notice prior to authorizing or approving a proposed health insurance contract or plan, or any amendment thereto; and (ii) notice at the time such health insurance contract is binding following negotiations with a certified employee organization. The bill would also require the written notice to contain either: (i) the full text of such proposed contract, plan or amendment and any relevant financial information; or (ii) the general terms of the proposed contract, plan or amendment, along with the physical location and a secure web address where the full text and cost information can be located.

I understand and appreciate the desire to inform retirees and their families of potential changes in their health insurance coverage in a timely manner. However, mandating a fixed time frame for notification is highly problematic and will have significant consequences.

First, requiring 90 days' notice will significantly restrict a local government's ability to make prudent fiscal decisions aimed at containing or reducing health care costs. In some instances, 90 days' notice is simply not possible given the fluidity of negotiations and the need to make quick decisions. Second, actual notification in the manner required by this bill will be costly and impose an additional fiscal burden on municipalities. In addition to the personnel costs associated with preparing and mailing the printed notification documents to retirees who may be located throughout the United States as well as globally, there are other costs associated with postage, maintaining mailing lists, and developing a secure website. Since notice is required not only whenever each health insurance contract or plan is executed, but also whenever any such contract or plan is amended, notice may be required with relative frequency, adding to the administrative burden on localities and significantly increasing their costs. Because no funds were appropriated in this bill, any costs would be shouldered by local taxpayers.

Given the concerns noted above, I must disapprove of this bill and defer further discussion of this issue to the legislative session.

The bill is disapproved.