



MEDICAL SOCIETY OF THE STATE OF NEW YORK

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Joseph Sellers, MD, President

May 18, 2021

Honorable Richard Gottfried
Chair, New York State Assembly Health Committee
822 LOB
Albany, NY 12248

RE: Interest Rate for Adjudicated Medical Debts (A.1538-A/S.3057-A)

Dear Assemblyman Gottfried:

MSSNY believes that A.1538-A/S.3057-A, legislation to reduce the interest rate for adjudicated medical debts, is a positive step forward for our patients who may be facing significant financial responsibilities as a result of lack of insurance coverage or inadequate insurance coverage for their needed medical care and treatment. We understand this problem has grown in recent years as health insurance has become increasingly unaffordable for many working families and insurers have created health plans that increasingly impose high consumer deductible cost-sharing. We further believe that this legislation is a more balanced approach to helping our patients when compared to other pieces of legislation also under consideration to address patient medical debt that, as currently drafted, could have an enormous destabilizing impact on our already fragile health care delivery system.

Significantly, this legislation, if enacted, would set an important precedent regarding the unreasonable rate of interest for judgments set forth under the Civil Practice Law and Rules – established in statute at a time when interest rates were far higher. Indeed, MSSNY has supported separate legislation (A.5016, McDonald/S.3250, Sanders) that would entirely eliminate the current statutory 9% interest rate on judgments and instead tie judgment interest rates to the current market rate. The legislation would use the weekly average one-year constant maturity treasury yield, the same way that interest is calculated in federal courts. We are hopeful that, in your fight for fairness to all New Yorkers, this separate legislation could be enacted which would help to drive down the exorbitant insurance costs faced by many across this State, including physicians.

We look forward to continuing to work with you on efforts to help ensure our patients have access to the timely and quality care they need and deserve. Thank you very much for your consideration of our comments.

Sincerely,

Joseph Sellers, MD
President
Medical Society of the State of New York