



For Immediate Release: 1/2/2024

GOVERNOR KATHY HOCHUL

**GOVERNOR HOCHUL UNVEILS FIRST PROPOSAL OF 2024
STATE OF THE STATE: THE CONSUMER PROTECTION &
AFFORDABILITY AGENDA**

***First Expansion of New York's Consumer Protection Law in
More Than 40 Years and Measures to Ensure Fairness in
"Buy Now Pay Later" Services***

***First Major Increase to Paid Medical and Disability Leave
Benefits Since 1989; Tie Benefits to Statewide Average
Weekly Wage***

***Nation-Leading Plan to Eliminate Insurance Co-Pays for
Insulin, Saving New Yorkers \$14 Million in 2025 Alone***

***Bold Action to Protect New Yorkers from Medical Debt,
Limiting Hospitals' Ability to Sue Low-Income Patients, and
Expanding Financial Assistance Programs***

***Minimum Wage Increase Secured by Governor Hochul in
FY24 Budget Took Effect on New Year's Day***

Governor Kathy Hochul today unveiled a sweeping consumer protection and affordability agenda, the first plank of her 2024 State of the State. Governor Hochul announced proposals to amend New York's consumer laws to strengthen consumer protections against unfair business practices; establish nation-leading regulations for the Buy Now Pay Later loan industry;

advance the first major increase in paid medical leave benefits in more than three decades; implement the nation's most wide-ranging proposal to eliminate co-pays for insulin on certain insurance plans; and propose legislation to combat medical debt. Governor Hochul announced these proposals just one day after New York's minimum wage increase took effect.

“The first plank of the 2024 State of the State is our Consumer Protection & Affordability Agenda – one that combats the effects of illness, disability, unfair business practices and low wages,” **Governor Hochul said.** “If the last two years have been about putting more money in New Yorkers’ pockets, this year is about keeping it there and that starts with safeguarding people’s hard-earned cash.”

New York State Attorney General Letitia James said, “From taking on the companies responsible for the opioid crisis to stopping price gouging, predatory debt collectors and other deceptive business practices, we have taken on countless companies for harming New Yorkers. While we have stopped the most egregious actors, this new bill will expand and strengthen our ability to stop unfair and abusive business practices that hurt too many people. I want to thank Governor Hochul, State Senator Comrie, and Assemblymember Weinstein for working closely with my office to make these protections a priority.”

Strengthening Consumer Protections

Governor Hochul has proposed actions to strengthen consumer protections across New York State through the most significant expansion of consumer laws since 1980. While current law protects New Yorkers against deceptive business practices, New York is one of only eight states in the nation whose law fails to protect against unfair and abusive business practices.

Amendments to expand consumer protection laws will transform how New York protects consumers, enhance the Attorney General’s ability to enforce consumer protections, and give the State additional tools to pursue bad actors.

Governor Hochul will also propose legislation to require Buy Now Pay Later providers to get a license to operate in the state, and to authorize the New York State Department of Financial Services to propose and issue regulations for this rapidly growing industry. New Yorkers are increasingly turning to Buy Now Pay Later loans as a low-cost alternative to traditional credit products to pay for everyday and big-ticket purchases. This legislation and regulations will establish strong industry protections around disclosure requirements, dispute resolution and credit reporting standards, late fee limits, consumer data privacy, and guidelines to curtail dark patterns and debt accumulation and overextension.

Expanding Paid Medical and Disability Leave Benefits

Governor Hochul announced a plan to increase the maximum benefit for paid medical and disability leave for the first time in 35 years. Under the plan, the Governor will propose an amendment to the disability law to increase the maximum weekly benefit over the next five years and tie it to the Statewide Average Weekly Wage (SAWW). To match the paid family leave benefit, for the first 12 weeks of medical leave, eligible employees would receive 67 percent of their average weekly wage, capped at 67 percent of the SAWW, once fully phased in after five years.

The maximum paid benefit available to New Yorkers who need time off from work to address their own health needs, including for any pregnancy-related conditions, has been capped at \$170/week since 1989. Strengthening medical leave will not only support women and parents, but also the nearly 1 in 5 New Yorkers with a disability, who often need leave from work to manage disability-related health needs.

Eliminating Co-Pays for Insulin

Governor Hochul announced a proposal to eliminate insulin cost-sharing completely through proposed legislation. This proposal will enact the most expansive prohibition against insulin cost-

sharing in the nation, providing financial relief to New Yorkers and improving adherence to these life-saving medications. With 1.58 million New Yorkers diagnosed with diabetes, the proposal is estimated to save New Yorkers an estimated \$14 million in 2025 alone.

According to the American Diabetes Association, people with diabetes have medical expenses that are 2.3 times higher than people who do not have diabetes and the impact is even larger for communities of color, which face disproportionately high diagnosis rates.

Combating Medical Debt

Governor Hochul will also introduce legislation to update and expand New York's hospital financial assistance law to better protect New Yorkers from medical debt. This legislation would include bold action to protect low-income New Yorkers from medical debt lawsuits by limiting hospitals' ability to sue patients earning less than 400 percent of the Federal Poverty Level (\$120,000 for a family of four). The legislation would also expand hospital financial assistance programs for low-income New Yorkers, limit the size of monthly payments and interest charged for medical debt and implement other protections to improve access to financial assistance and mitigate the deleterious effects of medical debt on New Yorkers.

More than 700,000 New Yorkers have medical debt in collections. Individuals with medical debt are less likely to seek necessary medical care and report being forced to cut back on critical social determinants of health, including food, heat, and rent. As a result, substantial debt levels threaten not only the financial stability of many individuals and families, but also undermine the State's commitment to improving health equity and health outcomes.

New York State Department of Health Commissioner Dr. James McDonald said, "Governor Hochul's actions will protect low-income New Yorkers from medical debt lawsuits and take

necessary steps to expand financial assistance programs at hospitals. This legislation addresses the toll medical debt has taken on individuals' financial wellbeing and is a significant step toward protecting all New Yorkers from medical debt.”

New York State Department of Financial Services

Superintendent Adrienne A. Harris said, “Too many New Yorkers today must overextend their finances to afford critical healthcare, like insulin, and to pay everyday expenses, like rent. When an individual is forced to choose between the two, deprioritizing their health impacts their lives, their families, and ultimately increases costs across the healthcare system. The alternative is no better. Without enough cash to cover all expenses, New Yorkers have turned to Buy Now Pay Later products, racking up debt with companies that have operated without guardrails in this state for too long. Whether reigning in costs for critical drugs like insulin, or establishing consumer protections for Buy Now Pay Later products, I am committed to making sure that our financial system works for all New Yorkers, not against them.”

New York State Workers' Compensation Board Chair Clarissa

M. Rodriguez said, "Increasing disability benefits to reach 67 percent of pay up to a cap, mirroring NYS Paid Family Leave, means New Yorkers will have the same financial security whether taking care of a family member or their own health needs. I commend Governor Hochul for taking strong action to ensure workers have critical income when they need to care for themselves or loved ones."

AARP New York State Director Beth Finkel said, “Governor Hochul is once again leading the way in protecting New York consumers from unfair business practices and shielding some of our most vulnerable residents from unscrupulous actions that can result in devastating personal financial setbacks. AARP New York recently applauded the Governor when she signed legislation ensuring medical debt doesn’t show up in a patient’s credit report.

We did so again when she enacted a bill aimed at making prescription drug price increases more transparent, an important step in addressing the ever-rising costs of drugs so many New Yorkers depend upon. Older New Yorkers in particular will benefit from these new laws. We're encouraged by the Governor's plan to expand consumer protections and protections from medical debt for low-income New Yorkers. We look forward to working with the Governor as she launches her latest effort to provide all New Yorkers with more consumer protections against deceptive and abusive practices."

Mobilization for Justice Director of Litigation for Economic Justice Carolyn Coffey said, "Bad actors exploit the weaknesses in New York's existing consumer protection statute and regularly take advantage of vulnerable consumers and small businesses. The decades-old statute is in serious need of updating in order to serve its intended function and to keep pace with nefarious and evolving marketplace conduct. It is time for the State to catch up with over 40 other jurisdictions in this regard and to set the highest possible standard for all economic activity in the State and ensure meaningful protections to New Yorkers, especially those in marginalized communities. We applaud Governor Hochul's commitment to taking this important step to protect New York households and small businesses."

The Consumer Protection & Affordability Agenda

Governor Hochul's consumer protection and affordability agenda builds on her administration's efforts to keep hard-earned money in New Yorkers' pockets. The Governor signed legislation last year to protect New Yorkers from price gouging and medical debt. In 2022, the Governor also signed legislation to ban hidden fees for consumers purchasing tickets to live events, expand penalties for use of scalper bots and ticket purchasing software, outlaw the sale of free tickets, and prohibit delivery fees on tickets that are delivered electronically or printed at home.

These proposals also build on Governor Hochul's commitment to

making the state more affordable and more livable for all New Yorkers. As part of the FY 2024 Budget, the Governor secured a historic, multi-year increase to New York's minimum wage that will raise the minimum wage through 2027 and then index it to inflation. Governor Hochul has also pushed forward on Executive Actions to address New York's housing crisis and reduce housing costs by increasing the state's housing supply.

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