



THIS WEEK IN NEW YORK

COVERING NEW YORK & CITY GOVERNMENT

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"Obstacles don't define us. Rather, it is the unparalleled courage and character of us that defines us as a people. So my confidence in the future is steeped in our glorious past - in the face of adversity, we always persist. We persevere, we prevail." Governor Kathy Hochul

In the News-New York State



DFS Issues Proposed Regulation Requiring Insurers To Provide Increased Access For Mental Health & Substance Use Disorder Services

Regulation Establishes New Standards to Ensure Shorter Wait Times

New York State Department of Financial Services (DFS) Superintendent Adrienne Harris this week announced a [proposed regulation](#) to establish network adequacy standards for behavioral health services, including the establishment of appointment wait times for behavioral health care.

Under the proposed regulation, if an appointment with an in-network provider is not available within the established appointment wait times, New Yorkers will be able to access treatment from an out-of-network provider who is able to meet the appointment wait times, at the in-network cost-sharing.

The proposal provides that a health care plan must ensure that its network has adequate capacity and availability of health care providers of behavioral health services to offer insureds appointments within:

- (1) ten business days for an initial appointment with an outpatient facility or clinic;
- (2) ten business days for an initial appointment with a health care professional who is not employed by or contracted with an outpatient facility or clinic; and
- (3) seven days for appointment following a discharge from a hospital or an emergency room visit.

A health care plan may meet the appointment wait times through the use of telehealth unless the insured specifically requests an in-person appointment to treat the insured's behavioral health condition.

The regulation, published in this week's [State Register](#), defines *Health care professional* as an appropriately licensed, registered, or certified health care professional pursuant to Education Law Title 8 or a health care professional comparably licensed, registered, or certified by another state. Title 8 includes, but is not limited to, psychiatrists, psychologists, clinical social workers, and mental health practitioners (mental health counselors, marriage and family therapists, and psychoanalysts).

“This proposed regulation will improve access to desperately needed mental health and substance use treatment for all New Yorkers,” said Superintendent Arlene Harris. “The Department is committed to breaking down barriers to critical care and today's proposal continues our efforts to build a more equitable, transparent, and resilient health care system in New York.”

Other provisions of the regulation require:

- specific information be included in provider directories, including provider affiliations with facilities and restrictions on a provider’s scope of services, such as age of patients or mental health conditions treated; and
- insurers submit to DFS an annual certification regarding an insurer’s access plan that must include collection of data and monitoring of its behavioral health network.

The proposed regulation is subject to a 60-day comment period upon publication. Interested parties can comment on the DOH regulation [here](#).

While the DFS regulation is specific to commercial health insurance plans, the New York State Department of Health (DOH) has proposed an identical regulation for health maintenance organizations (HMOs), including Medicaid managed care plans, child health plus, and the essential plan.



AG James Calls for Urgent Action to Protect Children from Harmful Effects of Asthma & Allergy Drug Singulair

New York Attorney General Letitia James called on the U.S. Food and Drug Administration (FDA) to take urgent action to address the potential dangers of the asthma and allergy drug montelukast, known by the brand name Singulair. Singulair has been linked to harmful behavioral and mental health issues among children who use the drug to treat asthma and respiratory allergies.

Singulair has been on the market for 25 years, throughout which multiple studies have shown a correlation between Singulair usage and the development of neuropsychiatric disorders. In March 2020, FDA issued a black box warning for Singulair, citing the documented mental and behavioral health risks associated with the use of the drug.

According to Attorney General James, despite this, reports of adverse mental health events for pediatric patients, including aggression, depression, and suicide, remain prevalent.

In a letter to FDA Commissioner Robert M. Califf, the Office of the Attorney General (OAG) highlights recent reports of significant mental and behavioral health risks associated with Singulair use and urges FDA to implement new, more stringent safety regulations for the drug. Specifically, Attorney General James urges FDA to prioritize providing more adequate warnings:

- Issuing a new Drug Safety Communication stating that the FDA is evaluating the risks of using Singulair in children under the age of 18 for asthma and allergic rhinitis.

- Sending a Dear Health Care Provider letter to physicians, pharmacists, and other health care providers regarding Singulair's safety risks to minors and urging providers to consider other FDA-approved medications for asthma or allergic rhinitis in children under the age of 18 years.
- Conducting a review of all available information to determine whether the risk from use of Singulair clearly outweighs any therapeutic benefit in children and warrants a contraindication warning that it should not be used in children under 18.
- Evaluating whether any other interventions may be necessary to ensure that the potential benefits of Singulair use in children for the treatment of both asthma and allergic rhinitis outweigh the risks, such as requiring the imposition of risk evaluation and mitigation strategies (REMS).

In the News-New York City



Mayor Adams Cancels Next Round Of Agency Spending Cuts

New York City Mayor Eric Adams this week announced that the Administration is cancelling the Fiscal Year (FY) 2025 Executive Budget Program to Eliminate the Gap (PEG) for city agencies — a direct result of the City's better-than-expected 2023 economic performance boosting the city's tax revenue forecast and cuts to asylum seeker spending.

According to the Mayor, his administration is cutting an additional 10 percent in budgeted city-funded asylum seeker costs on top of the successful 20 percent asylum seeker PEG in the Preliminary Budget that has saved more than \$1.7 billion in city spending.

In addition to cancelling the city agency PEGs, the administration is moving from a near full hiring freeze to a 2-for-1 model (agencies would be allowed to hire one employee for every two vacancies it carried) and easing other than personal spending (OTPS) freeze restrictions.

The announcement follows Moody's Investors Service affirmation of New York City's Aa2 issuer rating. The independent rating service cited the Adams administration's "robust financial management" and the successful "implementation of budget measures to help close budget gaps...caused by the migrant crisis."

"Our administration came into office with a mission to protect public safety, rebuild our economy, and make our city more livable for everyday New Yorkers. After two years of hard work, we are heading in the right direction: Jobs are up, crime is down, tourists are back, and we are delivering for working-class New Yorkers every day," said Mayor Adams. "...The combination of our tough, but necessary financial management decisions, including cutting asylum seeker spending by billions of dollars, along with better-than-expected economic performance in 2023, is allowing us to cancel the last round of spending cuts, as well as lift the near total freezes on city hiring and other than personal spending."

Last summer, the city faced a multi-billion budget gap due to the growing asylum seeker crisis, the end of federal COVID-19 stimulus funding, expenses from unresolved labor contracts, and slowing tax revenue growth. To manage these concerns, the administration implemented PEG savings programs and a near total freeze on hiring and other than personnel spending in the November Financial Plan, as well as in the Preliminary and Executive Budgets.

According to the Mayor, the administration achieved \$6.6 billion in PEG savings over FY24 and FY25 in the November Financial Plan and the Preliminary Budget. This included \$1.7 billion in asylum seeker PEG savings.

City Council Speaker Adrienne Adams and Finance Chair Justin Brannan were “relieved” by the Mayor’s change and questioned the need for the original cuts.

“...We are relieved that Mayor Adams and his Administration have heeded the calls and advocacy of the Council and New Yorkers who have sought a better approach to our city’s budget that protects essential services our constituents rely on. As the Council’s economists forecasted, New York City’s economy has proven durable and resilient, and blunt cuts that had a disproportionately negative impact on vital programs were never necessary,” the Council members said in a joint statement.



NYC Comptroller Sues MTA Contractors for Wage Theft of Over \$2.5 Million

The New York City Comptroller’s Bureau of Labor Law filed lawsuits against Fleetwash, Inc (Fleetwash) and Ln Pro Services, LLC (Ln Pro) for willfully failing to pay prevailing wages and supplements to their employees for the cleaning and disinfecting of subway cars at terminal stations during the pandemic.

The lawsuits, filed at the New York City Office of Administrative Trials and Hearings, allege that Fleetwash and Ln Pro owe \$876,923.44 and \$1,753,768.54, respectively, in back wages and penalties.

According to Comptroller Lander, despite notification from the City Comptroller’s office, Fleetwash and Ln Pro, following guidance from New York City Transit Authority (NYCT), refused to pay prevailing wages for the cleaning of the subway cars.

Under the New York Labor Law, the New York City Comptroller sets and enforces prevailing wage laws for public works projects and City-owned properties in the City of New York. The New York Labor Law requires that prevailing wages and supplemental benefits be paid to building service employees on public contracts, including workers providing cleaning services.

According to Comptroller Lander, pre- and post- COVID NYCT contracts explicitly mandated prevailing wages for cleaners in the removal of trash and maintenance of cleanliness at subway stations, though the requirement to pay prevailing wage rates was not included in the COVID contracts for the cleaning and disinfecting of train cars at terminal stations.

In May 2020, then-Comptroller Scott Stringer sent a [letter](#) to the Chairman of the Metropolitan Transit Authority (MTA), informing the agency of the Comptroller's determination that prevailing wages applied to the emergency cleaning and disinfecting of both subway stations and trains that was being performed in response to the COVID-19 pandemic.

This determination has been upheld and enforced by current Comptroller Lander.

Briefs

New York DEC Commissioner Basil Seggos to Step Down

New York State Department of Environmental Conservation (DEC) Commissioner Basil Seggos will step down as agency head following completion of this year's budget negotiations, according to published reports. Seggos has led the DEC since October 2015 and is the longest tenured DEC Commissioner.

"This has been an extremely tough decision because DEC is like a second home and I view you all like family," Seggos wrote in a letter to DEC employees, according to *Spectrum News*. "And to make it harder, we have really hit our stride lately, thanks to brilliant and dedicated staff, record funding, and a Governor who truly supports our agency, our people and the mission of protecting the environment. But after more than eight years in this role, this is the right decision for me and my family. It's time for a new chapter."

Prior to DEC, Seggos served as Deputy Secretary for the Environment for the Governor's office.

"For nearly a decade, Commissioner Seggos has led the Department of Conservation through a pivotal moment in our climate fight. His leadership has been instrumental in safeguarding our land and water, combatting climate change, protecting New Yorkers during extreme storms, and supporting the incredible outdoor recreation programs across the state," said Katy Zielinski, a spokeswoman for Gov. Hochul, in a statement, in the published report. "Governor Hochul is grateful for Commissioner Seggos' dedication to protecting New Yorkers and our environment."

Comptroller DiNapoli: Local Sales Tax Collections Near Flat in January

Local sales tax collections in New York state increased by 0.3% in January compared to the same month in 2023, according to data released this week by State Comptroller Thomas DiNapoli. Overall, local collections totaled nearly \$1.9 billion, up \$4.8 million from the same time last year.

In January 2024:

- New York City's collections totaled \$873 million, an increase of 3.5%, or \$29 million, from a year earlier.
- County and city collections in the rest of the state totaled \$910 million, a decrease of -2.8%.
- Fewer than half (27 of 57) of counties experienced year-over-year increases.

These monthly sales tax collections are from the cash distributions made to counties and tax-imposing cities by the state Department of Taxation and Finance, and the amounts are based on estimates of what each municipality is due. In the third month of each calendar year quarter, these distributions are adjusted upward or downward, so that the quarter as a whole reflects reported sales by vendors. The next quarterly numbers (for January to March) will be available in April.

State Cannabis Control Board Approves Adult-Use Home Cultivation Regulations, Advancing Proposal to a 60-Day Public Comment Period

The State Cannabis Control Board voted to advance the proposed regulations for Adult-Use Home Cultivation to a 60-day public comment period. These regulations create a framework for New Yorkers to cultivate their own cannabis plants at home for their own personal use.

Under these proposed regulations, New Yorkers over the age of 21 will be authorized to:

- Cultivate a maximum of three (3) mature and three (3) immature cannabis plants per person; or Cultivate no more than six (6) mature plants and six (6) immature plants per private residence;
- Possess up to five (5) pounds of cannabis flower that has been trimmed from plants which have been cultivated in or on the grounds of person's private residence;
- Or the equivalent weight of such cultivated cannabis in cannabis concentrate;
- Or a mixture of both cannabis flower and the equivalent weight of such cultivated cannabis in cannabis concentrate;
- Process cannabis flower into cannabis concentrate as long as they do not utilize a liquid or gas, other than alcohol, that has a flashpoint below 100 degrees Fahrenheit and do not utilize any means that pose an unreasonable risk of harm to persons or property.

New York City Council Files Motion to Intervene in Lawsuit Against Mayor Adams' Administration for Failure to Comply with CityFHEPS Laws

The New York City Council this week filed a motion with the Supreme Court of the State of New York to intervene in the class action lawsuit against the Adams Administration for its failure to implement enacted laws to reform the City Fighting Homelessness and Eviction Prevention Supplement (CityFHEPS) program.

The Council is seeking to become an intervening petitioner in the Vincent, Tejada, Cronneit, and Acks v. Adams and the City of New York lawsuit to represent the city legislature's interests in the proceedings on local laws it enacted in July 2023 that went into effect on January 9, 2024, but have not been implemented.

If its motion is granted, the Council would become a party to the existing lawsuit as a petitioner. The Council filing argues the importance of the separation of powers within government, and the distinct City Charter-mandated responsibilities of the legislative body to pass laws and for the mayor to implement them.

NYC's Non-Citizen Voting Law Ruled Unconstitutional on Appeal

A state appeals court struck down a New York City law that would have allowed noncitizens to vote in municipal elections.

“We determine that this local law was enacted in violation of the New York State Constitution and Municipal Home Rule Law, and thus, must be declared null and void,” Appellate Judge Paul Wooten wrote in the [3-1 decision](#) in the Appellate Division’s 2nd Department.

Judge Wooten asserted the state constitution broadly refers to only citizens having the right to vote in elections, municipal as well as statewide or for state legislative offices.

“Article IX provides that the elected officials of ‘local governments’ shall be elected by ‘the people,’ which incorporates by reference the eligibility requirements for voting under article II, section 1, applying exclusively to ‘citizens,’” the judge wrote.

The decision upholds [a lower court ruling](#) issued by Staten Island Supreme Court Justice Ralph Porzio in June 2022. This decision was appealed by Mayor Eric Adams and the City Council.

“I think it’s victory for common sense,” Staten Island Borough President Vito Fossella who brought the suit with numerous elected officials.

“I won baby, I won. This was an easy case. All they had to do was read the state constitution and municipal law. The criticism falls on the proponents of the bill,” New York City Council Minority Leader Joe Borelli said in published reports.

A spokesman for the City’s Law Department said officials are reviewing the court’s decision and evaluating their next steps.

Coming Up

New York State

Monday, February 26th

NYS Assembly Session: 2 p.m.

NYS Senate Session: 3p.m.

Tuesday, February 27th

Senate Standing Committee on Banks, Van Buren Hearing Room A, Legislative Office Building, 2nd Floor, Albany, New York, 11:30 A.M.

Explore disparities in New York's banking industry, including banking access for consumers and small businesses

NYS Assembly Session: TBD

NYS Senate Session: TBD

Wednesday, February 28th

NYS Assembly Session: TBD

NYS Senate Session: TBD

Friday, March 1st

Senate Committees on Corporations, Authorities & Commissions & Investigations & Government Operations, Senate Hearing Room, 250 Broadway, 19th Floor, New York, New York, 10 a.m.

To examine the procedures and practices of the State Liquor Authority, assess recent changes to the Alcoholic Beverage & Control laws, and gather recommendations to improve the efficiency, responsiveness, and transparency of the SLA to businesses across the state.

New York City

Monday, February 26th

Committee on Public Safety, Council Chambers - City Hall. 10 a.m., 10 a.m.

Oversight - Examining NYPD Investigative Procedures and Safeguards Relating to Wrongful Convictions.

Committee on Cultural Affairs, Libraries and International Intergroup Relations, Council Chambers - City Hall, 1p.m.

Oversight - NYC Libraries' Fight Against Banning Books.

Committee on Transportation and Infrastructure, 250 Broadway, 16th Floor, 1p.m.

The compensation received by for-hire vehicle drivers for advertising on the interior of for-hire vehicles.

Subcommittee on Zoning and Franchises, 250 Broadway - 14th Floor, 2 p.m.

Tuesday, February 27th

Committee on Sanitation and Solid Waste Management, Council Chambers - City Hall, 10 a.m.

Committees on Aging & Immigration, Committee Room - City Hall, 10 a.m.

Committee on Technology, 250 Broadway - Committee Room, 16th Floor, 10 a.m.

Oversight - Open Data Compliance

Committee on Land Use, 250 Broadway - Committee Room, 14th Floor, 10:45 p.m.

Committees on Oversight and Investigations, Public Housing & Contracts, City Hall, 1 p.m.

Oversight - Examining NYCHA's Response to Bribery and Extortion in Micro-Purchase

Committee on Civil Service and Labor, 250 Broadway - Committee Room, 16th Floor. 1 p.m.
Oversight - Optimizing the City Civil Service Exam System.

Committees on Higher Education & Education, Committee Room - City Hall, 1 p.m.
Oversight - Streamlined College Acceptance of NYC Public High School Graduates

Committee on Rules, Privileges and Elections, 50 Broadway, 14th Floor, 1 p.m.

Wednesday, January 28th

Committee on Finance, Committee Room - City Hall, 10:30 a.m.

Committee on Consumer and Worker Protection, Committee Room - City Hall, 11 a.m.

City Council Stated Meeting, Council Chambers - City Hall, 1:30 pm.

Thursday, February 29th

Committee on Civil and Human Rights & Consumer and Worker Protection, 250 Broadway -
Committee Room, 16th Floor, 10 a.m.

Committee on Hospitals, 250 Broadway - Committee Room, 14th Floor, 10 a.m.
Oversight - Addressing the Healthcare Staffing Crisis - Examining Residency Conditions and Worker
Concerns.

Committees on Housing and Buildings & Fire and Emergency Management, Council Chambers - City
Hall, 10 a.m.

Subcommittee on Landmarks, Public Sitings and Dispositions, Committee Room - City Hall,
11 a.m.

Committee on Education, Council Chambers - City Hall, 1 p.m.

Committee on Small Business, 250 Broadway - Committee Room, 14th Floor, 1 p.m.
Oversight - SBS Coordination with Business Improvement Districts (BIDs).

Committee on Health & Subcommittee on COVID & Infectious Diseases, 250 Broadway - Committee
Room, 16th Floor, 1 p.m.
Oversight – Addressing the Decline in Childhood Vaccination Rates.

Friday, March 1st

Committee on General Welfare, Committee Room - City Hall, 10 a.m.

Committee on Veterans, Council Chambers - City Hall, 11 a.m.

Committee on Governmental Operations, State & Federal Legislation, Council Chambers, 1 p.m.
Oversight - Examining the Preliminary Mayor's Management Report.

Committee on Parks and Recreation, Committee Room - City Hall, 1 p.m.
Oversight - Improving Water Safety at the City's Beaches and Pools.

Committee on Environmental Protection, Resiliency and Waterfronts, 250 Broadway - Hearing Room,
16th Floor, 1 p.m.

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120 Broadway, 28th Floor
New York, New York 10271
Telephone (212) 652-3890
Facsimile (212) 652-3891

111 Washington Avenue, St. 401
Albany, New York 12210
Telephone (518) 449-3320
Facsimile (518) 449-5812

1220 19th Street NW, St. 600
Washington, D.C. 20036
Telephone (202) 964-4753
Facsimile (202) 964-5754