



# This Week in New York

**Covering New York State and City Government**

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**“Every record has been destroyed or falsified, every book rewritten, every picture has been repainted, every statue and street building has been renamed, every date has been altered. And the process is continuing day by day and minute by minute. History has stopped. Nothing exists except an endless present in which the Party is always right.”**  
**-George Orwell, 1984-**

## *In the News – State*



### **NY Advances New Regulations Requiring Insurers to Provide Equitable Coverage for Mental Health & Substance Use Disorders**

The State Department of Financial Services and Department of Health this week released new regulations aimed at strengthening insurers' obligations under state law to provide comparable coverage for benefits to treat mental health and substance use disorders.

Under the proposed regulations, insurer parity compliance programs must establish corporate governance for parity compliance, identify discrepancies in coverage of services for the treatment of mental health conditions and substance use disorder, and ensure appropriate identification and remediation of improper practices. A [full copy of the proposed regulation can be found on the DFS website](#). According to DOH Commissioner Howard Zucker, DOH has proposed the same regulations for health plans certified under Public Health Law, including HMOs.

"New Yorkers sacrificed greatly to bend the curve of COVID-19, but with the surge in cases around the country and the mental health challenges many of our fellow New Yorkers face, our work is far from over," Governor Andrew Cuomo said. "These new regulations will help people struggling with mental health and substance abuse issues by requiring insurers to provide the coverage and benefits they need, improving access to critical and potentially life-saving services during these unprecedented times."

The proposed regulation requires insurers to designate an appropriately experienced individual who shall:

- Be responsible for assessing, monitoring, and managing parity compliance;
- Report directly to the insurer's chief executive officer or other senior manager; and
- Report no less than annually to the insurer's board of directors or other governing body, or the appropriate committee thereof, on the activities of the compliance program.

The compliance program must also include:

- Written policies and procedures that implement the compliance program, and describe how the insurer's parity compliance is assessed, monitored, and managed;
- Methodologies for the identification and remediation of improper practices;
- A process for the actuarial certification of the analyses of the financial requirements and quantitative treatment limitations;
- Training and education for employees and directors;
- The methods by which employees and directors may report parity compliance issues; and
- A policy of non-intimidation and non-retaliation for good faith participation in the compliance program.

Practices that are prohibited and must be remediated within 60 days of discovery include:

- A utilization review policy that uses different standards to determine the level of documentation for mental health or substance use disorder benefits versus medical or surgical benefits;
- Requiring preauthorization, concurrent, or retrospective utilization review for a higher percentage of mental health or substance use disorder benefits in the absence of defined clinical or quality triggers;
- Implementing a methodology for developing and applying provider reimbursement rates for mental health or substance use disorder benefits that is not comparable to or is applied more stringently than the methodology for developing and applying provider reimbursement rates for medical or surgical benefits; and
- Implementing claim edits or system configurations that provide for higher rates of approval through auto-adjudication for claims for inpatient medical or surgical benefits than for inpatient mental health or substance use disorder benefits.

[Public comments](#) on the regulations will be accepted until September 7, 2020.

## Number of NY “Quarantine States” Increases to 19



Governor Andrew Cuomo this week announced that three additional states – Delaware, Kansas and Oklahoma -- meet the metrics to qualify for the travel advisory requiring individuals who have traveled to New York from those states to quarantine for 14 days. This brings the total number of states with quarantine requirements to 19.

The quarantine applies to any person arriving from a state with a positive test rate higher than 10 per 100,000 residents over a 7-day rolling average or a state with a 10 percent or higher positivity rate over a 7-day rolling average. The updated list of states on the travel advisory is:

- Alabama
- Arkansas
- Arizona
- California
- Delaware
- Florida
- Georgia
- Iowa
- Idaho
- Kansas
- Louisiana
- Mississippi
- North Carolina
- Nevada
- Oklahoma
- South Carolina
- Tennessee
- Texas
- Utah

## *In the News – City*



## NYC Comptroller Report Spotlights NYC Nonprofit Sector

New York City’s nonprofit sector employs over 660,000 people and generates more than \$77 billion for the city’s economy – 9.4 percent of New York City GDP, according to a new report by New York City Comptroller Scott Stringer and Nonprofit New York.

In addition, nonprofits employ almost 18 percent of New York City's private workforce and account for nearly 5 percent of all businesses. They pay nearly \$42 billion in wages each year and have workforces comprised primarily of women and people of color, according to the report, making the sector an especially important employer as communities of color continue to be hard hit by COVID-19.

“The nonprofit sector cannot be sidelined during conversations about the city's economic health and stability,” said Comptroller Stringer. “Our nonprofits provide essential cultural, educational, health and social services to millions of New Yorkers. While tough budgetary decisions must be made in this crisis, we cannot nickel and dime the very same nonprofits we will rely on to support our most vulnerable communities and we cannot afford to lose the jobs and revenue that the sector contributes. Any plan for New York City relief and recovery must prioritize our nonprofits who are the essential fabric of our social safety net.”

The nonprofit sector was growing prior to COVID-19, with the number of nonprofit establishments increasing by 6.6% from 2013 to 2017, compared to 5.7% growth in all private New York City companies. There are more than 13,000 nonprofits with paid employees in New York City, or nearly 5% of all business entities.

However, since COVID-19 struck New York City, many nonprofits have suspended operations and some are at risk of closing permanently. Others have lost government funding or philanthropic contributions, have laid off staff, or have been forced to cut programs due to stay at home directives, insufficient staff and volunteers, or decreasing funding.

Drawing on U.S. Bureau of Labor Statistics data on the nonprofit sector, this new analysis revealed the following findings:

**Nonprofits employ 662,025 people, or 18% of total private employment in the City**

- More than one-third of Bronx workers are employed by nonprofits; 25% on Staten Island, 21.2% in Brooklyn, 15.7% in Manhattan, and 14.6% in Queens.
- Thirty-eight percent of nonprofit employees work in healthcare, 22% in education, and 19% in social services.

**New York City Nonprofits pay \$42 billion in total wages per year**

- Median nonprofit wage is \$63,056.

**Most nonprofit workers are women and people of color**

- 64% are women, 56% are people of color, 34% are foreign-born.
- Nearly half (47%) of nonprofit workers are between the ages of 20 and 39.

**More than half of nonprofit establishments are religious, civic, and social services organizations**

- Thirty-three percent are religious and civic organizations, 23% are social services organizations
- Another 13% of nonprofits are in the healthcare sector, 13% in education, and 5% in arts, entertainment, and recreation.

**Most nonprofit workers live in Manhattan and Brooklyn**

- 31% live in Brooklyn, 29% in Manhattan, 21% in Queens, 16% in the Bronx, and 4% in Staten Island.

**Industries that employ nonprofit workers**

New York City nonprofit employees work across a range of industries, from healthcare and education to social services and art and cultural institutions. The top ten industries employing 68% of nonprofit workers are below:

Industry	Nonprofit Employees	Share of Total Nonprofit Employees
General Medical and Surgical Hospitals, and Specialty (Except Psychiatric and Substance Abuse) Hospitals	59,592	12.3%
Civic, Social, Advocacy Organizations, and Grantmaking and Giving Services	53,174	11.0%
Colleges, Universities, and Professional Schools, Including Junior Colleges	53,115	11.0%
Elementary and Secondary Schools	50,818	10.5%
Individual and Family Services	40,597	8.4%
Religious Organizations	21,272	4.4%
Home Health Care Services	13,610	2.8%
Child Day Care Services	11,555	2.4%
Museums, Art Galleries, Historical Sites, and Similar Institutions	11,508	2.4%
Outpatient Care Centers	11,381	2.4%

**Briefs**

**Malls with Proper HVAC Systems May Open in Phase 4 Regions**

Governor Andrew Cuomo announced beginning Friday, July 10, malls can open in regions that have entered Phase IV of reopening if they have implemented an enhanced Heating, Ventilation and Air Conditioning (HVAC) filtration system and follow proper ventilation protocols. All regions of the State, with the exception of New York City, have entered Phase 4.

HVAC systems will be required to include filters with a Minimum Efficiency Reporting Value - or MERV - rating of which filters out the COVID-19 virus, but can, if the system makes additional protections, run on a minimum MERV of 11. Ventilation protocols include increased outdoor air, reduced air circulation, longer system run times and frequent filter checks.

## **Feds Give Regeneron \$450M for Production of Potential COVID-19 Treatment**

Regeneron Pharmaceuticals has been awarded a \$450 million contract by the federal government to produce doses of a potential COVID-19 treatment. The company said the first doses could be available by the end of the summer if clinical trials are successful.

Under the agreement with the Department of Defense and Department of Health and Human Services, the Tarrytown-based pharmaceutical company, will produce between 70,000 and 300,000 doses of REGN-COV2, the potential anti-viral antibody treatment that is still undergoing clinical trials. The agreement is the first under the Trump administration's Operation Warp Speed, a government effort to make potential COVID-19 treatments available to the public as soon as they are ready. A Maryland-based vaccine manufacturer, Novavax, was also given a \$1.6 billion contract.

The REGN-COV2 treatment is undergoing several clinical trials; the project will run concurrently with those trials. Two trials are examining the cocktail's use for the treatment of COVID-19, while a third trial explores whether it can prevent the virus.

## **Attorney General James Orders Black Lives Matter Foundation to Cease Solicitation of New York Donations**

New York Attorney General Letitia James this week issued a notice to the Black Lives Matter Foundation, and has directed the organization to immediately cease and desist soliciting contributions from donors in New York. The foundation, which has no affiliation with the Black Lives Matter Movement, has not registered as a charitable organization in the State of New York, making contributions solicited within the state illegal.

According to the Attorney General, the Black Lives Matter Foundation has faced increased scrutiny in recent weeks for accepting donations meant for the Black Lives Matter Movement to end police brutality. The Black Lives Matter Foundation is immediately required to:

- Cease soliciting contributions or engaging in any other fundraising activities in New York;
- Notify any third parties engaged in solicitation or fundraising activities on its behalf in New York that they must cease such activities, and
- File all financial reports as required by law for each year the foundation engaged in charitable solicitation or other fundraising activity in New York.

## **NYC to Postpone Annual Tax Lien Sale Until September**

The de Blasio Administration announced this week that the City Department of Finance is postponing the annual tax lien sale until September 2020, as the City continues its recovery from the COVID-19 pandemic.

The lien sale is administered by the NYC Department of Finance, which sells overdue property taxes, water and sewer charges, and other property charges to a non-profit trust. The agency sends out four warning notices to property owners starting three months prior to the sale, alerting them that the property is at risk of being on the lien sale list. According to the Finance Department, over 80 percent of owners pay the full amount owed, enter into payment plans, or obtain an exemption that removes them from the at-risk pool.

The sale was originally scheduled to occur in May 2020, but it was previously postponed until August 2020 as the City focused its efforts on the COVID-19 outbreak.

## **Mayor de Blasio and Taskforce on Racial Inclusion and Equity Announce Accelerated Internet Master Plan to Support Communities Hardest-Hit by COVID-19**

Mayor de Blasio and his Taskforce on Racial Inclusion & Equity this week announced that the City will accelerate broadband deployment in all five boroughs, prioritizing public housing communities, which have suffered disproportionately during the COVID-19 pandemic.

The City will make a \$157 million investment in ending digital redlining and providing high-speed internet. This investment will extend new internet service options to 600,000 underserved New Yorkers, including 200,000 NYCHA residents over the next 18 months. This approach will create a path to NYCHA-wide implementation and universal broadband across New York City.

The first phase of plan implementation is underway. The Mayor's Office of the Chief Technology Officer, in partnership with NYCHA and NYC Economic Development Corporation (NYCEDC), collected proposals through a Request for Expressions of Interest (RFEI). These options may range from new products and pricing, new service choices with discounted rates for public housing residents, free Wi-Fi solutions that residents can reach from their homes, or other innovative approaches employing established or emerging technologies.

The City expects to announce partnerships at the end of the summer 2020, with full deployment of the program occurring throughout 2020 and 2021.

## **NYC Cancels Large Events Through September 30<sup>th</sup>**

Mayor Bill de Blasio this week announced that large events requiring a city events permit will be canceled through September 30th as the City works to prioritize open spaces for public use.

According to the Mayor, the City will not issue a permit for any event in a location that interferes with the Open Streets or Open Restaurants program. Permits will also be denied for all events larger than one block, stage/video events that require amplification, street fairs, and events in parks that may unreasonably diminish public use. The City will refund or defer fees paid in connection with a denied permit.

Events that do not conflict with Open Streets or Open Restaurant areas and are for locations one city block or smaller can still apply for a permit. The Mayor's Executive Order will require all permit applicants to outline their plan to reduce the risk of transmission of COVID-19 at the event site and clean the event space both during and after the event. Applicants will be expected to address these concerns without utilizing City services, personnel and resources.

Demonstrations, religious events, and press conferences will be exempt from the Executive Order and may receive permits.

## **26 NYC Catholic Schools to Close Due to COVID-19 Pandemic**

The Roman Catholic Church in the New York City area announced Thursday it is closing 26 schools and merging three others due to lower enrollment and declining parish collections, both caused by the COVID-19 pandemic.

The Archdiocese of New York said it will merge the three Catholic schools and close 20 more, while the Diocese of Brooklyn said it is closing six — including four in Queens. The closings and mergers will affect 2,500 students and 350 staff members. The students can enroll at other Catholic schools, officials said.

The archdiocese, which encompasses New York City and several counties to the north, has more than 60,000 students from pre-K through 12th grade at 191 schools.

## **Supreme Court Rules 'Faithless Electors' Must Adhere to State Law**

The delegates of the Electoral College must vote as the laws of their states direct, according to a unanimous Supreme Court ruling handed down this week.

Writing for the court in the “faithless elector” case, Justice Elena Kagan said the Constitution gives states far-reaching authority over choosing presidential electors and “nothing in the Constitution expressly prohibits states from taking away president electors' voting discretion.”

Based upon the court's decision, in most states delegate must vote for the candidate who won the popular vote in their states. In Maine and Nebraska, presidential electors are guided by the votes of congressional districts.

# Coming Up

## New York State

Wednesday, July 15<sup>th</sup>

***Evaluating Constitutional Provisions Impacting Redistricting in 2022***

Legislative Task Force on Demographic Research and Reapportionment (LATFOR), Senate Judiciary Committee and Assembly Government Operations Committee, Remote Hearing, 10 a.m.

***New York State Joint Commission on Public Ethics Filings Due***

January-June Client Semi Annual Reports & Source of Funding Filings  
Lobbyist Bimonthly Filing  
Disbursement of Public Moneys

## New York City

Wednesday, July 15<sup>th</sup>

***New York City Clerk Lobbyist Bimonthly Filing Due***

P3 Reports

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**“We believe in the ideas of family, mutuality,  
the sharing of benefits and burdens  
for the good of all, feeling one another’s pain,  
sharing one another’s blessing  
recognizing that at the heart of the matter  
we are bound to each other.”**

**-Mario M. Cuomo-**

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