

MEMORANDUM IN OPPOSITION

S.1668 (Gallivan)/ A.5281 (Lawrence)

Establishes a Health Care Quality and Cost Containment Commission – a body to provide lawmakers with the cost and medical efficacy of health insurance mandate legislation.

We enthusiastically support its passage for the following reasons:

- There is a nexus between high premium costs and health insurance mandates. New York's chiropractic mandate law (1998) required the Department of Insurance study the impact of this new mandate. That study, quietly released in 2000, determined that the cost of these services accounted for as much as 2.6% of premium and concluded that there were "no savings attributable to the passage of the mandate. In 2003 the Employer Alliance released a landmark study which concluded that mandated benefits in New York cost every policyholder 12.2% of premium – or more than \$1,300 for a family policy.
- New York has the double distinction of being a state with one of the highest insurance premium rates in the nation AND one of the most heavily mandated states in the union. New York has 46 different health insurance mandates required in every policy sold in the state and lawmakers consider nearly 100 more every year without the benefit of an independent analysis prior to passage.
- The burden of health insurance mandates falls predominately on small businesses and the self-employed – because many large companies can take advantage of moving to self-insurance and escape state benefit requirements. Twenty six other states, including our immediate neighbors Pennsylvania, New Jersey, Vermont and most recently Massachusetts, have working commissions that ensure small business consumers do not endure any unnecessary burdens.

For businesses and all premium payers struggling to maintain coverage, this proposal is long overdue. Never has the need for this legislation been more critical.

SUPPORT S.1668 (Gallivan)/ A.5281 (Lawrence)

The Employer Alliance for Affordable Health Care is the largest, single-issue grassroots coalition in New York State, with more than 3,000 small business owners and sole proprietors representing more than 150,000 individuals. Our members believe that everyone should have access to basic, affordable health insurance. We oppose state health insurance mandates that increase premiums.

www.employeralliance.com