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*Facts regarding 2018 premium increases:*

## **Lawmakers must work to control premiums**

Health insurance premiums are going up again next year. Premiums for individuals will increase an average of 13.9 percent and small group policies will increase, on average, 9.3 percent. While the Department of Financial Service claims the problem could be worse, New York lawmakers could also make it better.

How much does health insurance cost?

The Kaiser Family Foundation reports that the average cost of employer-based coverage in New York State was \$6,614 for individuals and \$19,375 for family coverage (based on 2016 data). The Commonwealth Fund Report titled *State Trends in Premiums and Deductibles 2003-2011: Eroding Protections and Rising Costs Underscore the need for Action* states “if annual premium growth slowed by one percentage point, by 2020 employers and families would save \$2,029 annually for family coverage.” It’s a small step, but clearly in the right direction. New York lawmakers could easily make this happen using obvious solutions at their disposal.

The first obvious cost reducing measure is to refrain from passing laws that dictate the type of providers and services that must be included in the basic health insurance package. These are commonly known as health insurance mandates. Every mandate incrementally increases cost. New York required every state regulated policy to include nearly three dozen mandated benefits — in addition to those required under the Affordable Care Act’s “essential health benefit” package. It is doubtful that lawmakers will eliminate the state’s existing mandates, but they can certainly refrain from passing anything new.

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Taxes, fees and assessments, required by the 20-year-old Health Care Reform Act (HCRA), cost taxpayers \$5.5 billion each year, however, a portion of this money is funneled into programs that have little or nothing to do with direct patient care. Health insurance taxes should not be used to plug holes in the state budget. HCRA should be repealed or, at the very least, existing funds used for direct patient care.

Finally, the Legislature should address the underlying problem and keep health care costs in check. The Department of Financial Services reported this year that drug costs account for the largest share, or 26 percent, of all medical costs, with specialty drug costs increasing about 49 percent.

Inpatient hospital costs account for the second biggest share of medical expenses (19 percent), followed by physician specialty services (12 percent) and diagnostic testing/lab/x-ray (10 percent).

The federal health debate over health insurance reform continues and it remains unclear where it might go. In the meantime, it's time for New York's leadership to step up and make a difference. Any change, even a small change, will help.

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