



The Employer Alliance for Affordable
Health Care

2003 Legislative Report Card



Employer Alliance

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Dear Employer Alliance Member:

As I write this, we remain New York's largest single-issue grassroots business coalition. Today nearly 2,300 businesses employing more than 200,000 New Yorkers are members of this vital coalition.

2003 was a time of significant achievement and successes for the Employer Alliance. Below are just some of our accomplishments:

- ◆ **We led the fight to ensure not a single health insurance mandate was passed by the Legislature.** *While faced with nearly 100 mandate proposals, the Legislature adjourned the session without passing any new health insurance mandates.*
- ◆ **We spearheaded an actuary report on the cost of mandates in New York.** *In May 2003 the Alliance released an actuary report titled "New York State Mandated Health Insurance Benefits." This widely*

quoted study is the first comprehensive review of New York's existing mandates. It concluded that mandates increased insurance premiums by a net amount of 12.2% on every fully-insured policy in the New York.

- ◆ **We spurred the first legislative study ever undertaken of a proposed mandate prior to consideration in New York's history.** *The Alliance was instrumental in getting the Legislature to step down efforts to mandate the use of Computer Aided Digital (CAD) mammograms and instead study the issue more closely. In March 2003 the Department of Insurance issued their report concluding "it would not be prudent at this time to recommend a mandate for CAD screenings." As a result of this study, the mandate was not passed.*
- ◆ **We increased our membership by nearly 25%.** *Our recruitment efforts paid off. By the end of the year we added more than 300 members – meeting our goal of adding nearly one new member a day.*

- ◆ **We sent hundreds of communications to lawmakers through our website.** *Our members became "cyber-activists" delivering more than a thousand letters and e-mails to their lawmakers telling them not to pass any legislation that could increase their health care costs.*
- ◆ **We issued our third annual report card.** *Our members and the media now anxiously seek this annual report.*
- ◆ **We increased our media presence, making the Alliance a critical voice sought in the debate on health insurance affordability.** *The Employer Alliance is the primary source for information pertaining to the issue of health insurance mandates and small business. Our articles and letters have appeared in newspapers throughout the state.*

While we have much to proud of, there are ominous clouds on the horizon. We will need the efforts of every single member to carry our fight to the state capitol. Only through your voice and support can we

continue the fight for health care affordability. In the months ahead we will be calling on each of you to lend a hand by contacting your local politicians and contributing to the Alliance so we can continue these important efforts. We hope you will be there to answer the call and play an active role in keeping premiums in New York affordable.



Sincerely,

A handwritten signature in cursive script that reads "Scott Miller". The signature is written in dark ink and is positioned above the printed name.

Scott Miller
Chairperson

UNDERSTANDING YOUR REPORT CARD

This report card hopes to answer this basic question: How committed are your lawmakers to health insurance affordability?

Health care costs continue to climb well above the rate of inflation to the detriment of all New Yorkers. For the first time, employers are calling health insurance costs - not taxes - their number one business concern. New York is in the grips of a health insurance crisis. Three million people have no health care coverage, more than 30% of those with coverage are in government programs subsidized or fully paid for by citizens and businesses in the form of taxes and assessments. Employer based insurance continues to shrink (for instance, New York City's rate of employer based coverage has dropped below 50%) as the cost pressures cascade down to employees, cutting into real wages.

Against this bleak backdrop, New York Legislators will consider more than 100 proposals annually that will expand the current broad benefit package even more. The message from all premium payers is clear - not another dollar for mandated benefits!

How did my legislator fare? How are they judged?

The Employer Alliance for Affordable Health Care has provided our members with our annual Legislative Report Card to educate them on the votes their representatives are making that can impact your business' bottom line. In producing the report card, we examined the voting and introduction record of each state legislator. In certain cases, grades reflect other factors that may demonstrate the lawmaker's commitment to affordable health care.

What is special about this year's Report Card?

The 2003 report card will provide our members with even more information on their lawmakers. In part due to limited legislative activity in the area of mandates in 2003 and the high re-election return rate of lawmakers, this year's report card will grade legislators for 2003 as well as provide a cumulative grade over the past three sessions (2001-2003) providing a comprehensive

assessment of your lawmaker's commitment to affordable health care. As a result, the cumulative score for most Assemblymembers will be judged on eleven separate pieces of legislation as well as their record of bill introduction. The cumulative grade for senators will be based on seven separate proposals.

While we know Employer Alliance members will benefit from this report card, we also hope this effort will encourage Legislators to reflect on these issues and heed our concerns, remembering that when it comes to any measure that might increase health insurance premiums, New York's employers say NO!

| GRADING KEY | |
|-------------|----------------|
| A | EXCELLENT |
| B | GOOD |
| C | FAIR |
| D | POOR |
| NA | NOT APPLICABLE |

REVIEW OF LEGISLATION

Bills voted on in the Assembly

The success of the Employer Alliance for Affordable Health Care was evident in 2003. With nearly 100 mandate bills in introduction only one was brought before the Assembly for a vote.

1. Mental Health & Substance Abuse Coverage Mandate (A.8301 - Tonko)

OUR POSITION: NO

Final Action: *Died in Senate Rules Committee*

Background on Proposal:

This mandate requires the coverage of unlimited mental health & substance abuse benefits, many which are already available on a limited basis in most health insurance policies.

The Employer Alliance Opposes this Legislation

Because:

- ◆ Cost of this mandate is estimated to exceed 3% - at a time when health care costs are already climbing three to four times the rate of inflation.

- ◆ Most New Yorkers are provided a compassionate benefit that includes 30-days inpatient and 20 outpatient visits for mental illness. The State mandates coverage for outpatient substance abuse – as many as 60 outpatient visits annually.
- ◆ The unlimited nature of this proposal will encourage the “worried well” to seek treatments that may not be necessary or are wasteful.
- ◆ The cost impact of this mandate would be disproportionately felt by small business. That is because like all state mandates, corporations large enough to self-insure are not required to cover state mandates. In New York that means our largest employers, who employ 49% of employees with health insurance, would not have to offer this expanded coverage.

Bills voted on in the Senate

The Senate showed leadership and sensitivity to the high cost of health insurance in 2003 by introducing and passing mandate reform legislation.

1. Mandate Reform Legislation (S.1447 – Seward)

OUR POSITION: YES

Final Action: *Died in Assembly Insurance Committee*

Background on Proposal:

This proposal seeks to reform the health insurance mandate process by establishing a mandated health insurance benefit and cost commission to study and report on proposed health insurance coverage mandates.

The Employer Alliance Supports this Legislation

Because:

- ◆ This legislation provides lawmakers with the information necessary to determine the value of each mandate proposal and evaluate the appropriateness of legislating such coverage prior to consideration.

- ◆ This legislation will ensure that any mandate passed in this state will not undermine efforts being made to expand insurance coverage opportunities.
- ◆ Nearly 25 states, including our immediate neighbors Pennsylvania, New Jersey, Vermont and most recently Massachusetts, require a cost/efficacy analysis for health insurance mandate bills.