



The Employer Alliance for Affordable
Health Care

2002 Legislative Report Card



Employer Alliance

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Dear Employer Alliance Member:

The Employer Alliance for Affordable Health Care

began five years ago with a dozen employers who were concerned about rising health care costs. Today, our organization boasts more than 1,200 members – primarily small business owners and sole proprietors who represent more than 100,000 employees. We are the largest single-issue business coalition in New York State.



The year 2002 was a time of expanded visibility for our organization. A major highlight was the introduction of our new web site – www.employeralliance.com. Not only does the site contain all the information that our members need to know about ***The Employer Alliance***, the site allows them to become cyber activists by offering a “one stop shop” where they can write and send letters about key issues directly to their local lawmakers. Another 2002 highlight was the presentation

of the “A List” awards to honor state lawmakers who scored an “A” grade on last year’s report card.

Member participation remains a focal point of ***Alliance*** success. Many of you participated in letter writing campaigns and donated your money and services to raise lawmaker and public awareness on the issue of health insurance mandates. Thanks to you, we are a potent force in Albany and an organization whose viewpoints are sought by the Legislature and the media.

Despite these achievements, our goals still have not been realized. At a time when New York State has more than 3,000,000 uninsured individuals, mandates continue to



impact rising health care costs, basic and necessary health care coverage has increased at double-digit rates for the past four years. New York remains among the top states in health insurance premiums, the number of uninsured citizens and the number of mandated benefits. Lawmakers deliberate on nearly

100 bills mandating new health insurance benefits at the expense of employers, without a process to evaluate these proposals for medical efficacy and cost. Meanwhile, because of a loophole in federal law, corporations with the ability to underwrite their own health care coverage (self-insure) are exempt from providing such mandates.

Opposing benefit mandates will continue to be the rallying point for our organization. Our efforts will persist as long as state lawmakers continue to exacerbate health insurance costs by mandating the coverage of certain benefits – denying employers the flexibility to provide employees with a benefit package that meets the needs of all parties.

We encourage you to review this document and familiarize yourself with the issues that impact your ability to maintain affordable health insurance. Working together, we will continue to serve as a voice for New York’s business community and share our concern about mandates that continue to inflate the cost of health insurance premiums in New York State. It is time for our leadership to put aside traditional pressures and influences to take action on this health care crisis. How we resolve

this issue will take courage, innovation and a significant change in the political culture to bring about good, old-fashioned fairness and integrity.



Sincerely,

Scott Miller
Chairperson

Are Your Lawmakers Committed to Affordable Health Care?

As costs continue to skyrocket with increases as high as 20% in 2003, health care affordability remains a priority issue for many, if not all of our members. For the three years, *The Employer Alliance for Affordable Health Care* has provided our members with our annual **Legislative Report Card**. This document is designed to familiarize you with the impact lawmakers have on your insurance premiums. In producing the report card, we examined the voting and introduction record of each state lawmaker. In certain cases, grades account for other factors that may demonstrate the lawmaker's commitment to affordable health care.

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 the our concern when it comes to any measure that might further increase the costs of health care in New York State.

New York's employers deserve no less!

REVIEW OF LEGISLATION

Assembly Bills

1. Sole Proprietor Reform (A.7413-D - Morelle)

OUR POSITION: YES

Final Action: Signed by the Governor

Background on Proposal:

This mandate provides sole proprietors access to more affordable small group health insurance rates.

The Employer Alliance Supported

this Legislation Because:

- ◆ Until the passage of this law, many sole proprietors could only access the expensive individual or “direct pay” market for health insurance.
- ◆ This law should provide a premium reduction for many sole-proprietors because their premiums will not be allowed to rise to more than 20% above the small group market rates, which are considerably less than individual market rates.

2. Computer Aided Mammography Study Bill

(A.10062-A - Ferrara)

OUR POSITION: YES

Final Action: Signed by the Governor

Background on Proposal:

This law requires the Superintendent of Insurance to issue a report to the Governor and two legislative houses by April 1, 2002 on the advisability of mandating the coverage of computer aided detection devices for reading mammograms.

The Employer Alliance Supported

this Legislation Because:

- ◆ This law represents the first time the New York Legislature will study the cost and efficacy of a proposed mandate *prior* to consideration.
- ◆ While the Alliance is concerned about any measure that may increase premiums, we wholeheartedly support the deliberative aspect of this law and urge lawmakers to pass a similar measure to require all mandates to undergo similar scrutiny.

3. Women’s Omnibus Mandate Legislation

(A.11723 - Rules)

OUR POSITION: NO

Final Action: Signed by the Governor

Background on Proposal:

This law is an omnibus mandate that:

- a. Expands New York’s already comprehensive mammography mandate.
- b. Mandates coverage for all FDA approved contraceptives.
- c. Requires coverage for bone density screenings.

The Employer Alliance Opposed

this Legislation Because:

- ◆ While estimates on the cost of this legislation range from 3% to 5%, there is no scientific evidence that this expenditure will save lives or improve the overall health of women in the state.
- ◆ Despite a raging controversy in the medical community on the efficacy of mammograms and appropriate screening intervals, the Legislature adopted broad guidelines that are out-of-step to those issued by leading organizations (i.e. The National

Cancer Institute and the US Preventive Services Task Force.) This new mandate encourages unnecessary testing at considerable expense to the health care system without demonstrable improvement in health outcomes.

- ◆ According to surveys, some form of contraception is available to 93% of individuals with prescription drug coverage. This legislation adds cost by requiring coverage for *all* FDA approved contraception. This law will increase costs on the prescription drug benefit – already one of the fastest rising cost components of the health care system.
- ◆ Bone density screenings are expensive and by themselves, do not mitigate osteoporotic events. In 1998, the Pennsylvania Health Care Cost Containment Council examined similar legislation and concluded that they were “unable to find needed proof...that coverage of bone density testing would provide corresponding savings, either in terms of saved health care dollars or improved quality of life.”

4. Wig Mandate (A.8818-A Cymbrowitz)

OUR POSITION: NO

Final Action: *Passed in Assembly/*

Died in Senate Insurance Committee

Background on Proposal:

This mandate would require every policy to include coverage of “cranial prostheses” (wigs) for permanent or temporary hair loss that is the result of a disease or treatment for a condition if a physician determines such purchase is necessary to promote the patient’s “psychological well-being.”

The Employer Alliance Opposed this Legislation Because:

- ◆ Other prostheses, like legs and arms, are designed to augment physical functioning. Wigs are merely cosmetic enhancements.
- ◆ Mandating coverage to enhance the “psychological well-being” of the patient is an unprecedented standard that logically could be extended to include the coverage of such items as vacations!
- ◆ Wigs can be expensive. While the legislation attempts to cap the number of wigs to be purchased, it does not establish a ceiling for the cost on such an item.

The sponsor has indicated that such items could cost several thousand dollars – in some cases more than the yearly premium.

- ◆ The State of Washington issued a review on similar legislation and concluded: “it is not possible to find health, social or economic benefit to the general population from requiring health plans to cover payment for these devices.”

5. Infertility Mandate (A.2003 – Silver)

OUR POSITION: NO

Final Action: *This legislation did not pass the Assembly.*

However, a “drugs only” infertility mandate passed as part of the 2002-03 budget.

Background on Proposal:

This legislation expands infertility coverage to include risky and expensive Assisted Reproductive Technologies (“ART”). Under this proposal, an individual would have up to six chances to utilize ART procedures regardless of age, marital status or income.

The Employer Alliance Opposed this Legislation Because:

- ◆ New York already mandates a level of infertility

coverage as the result of a 1990 law that requires coverage of conditions that could cause infertility (i.e. endometriosis, blocked fallopian tubes).

The Employer Alliance believes the current mandate offers a compassionate benefit.

- ◆ A report issued by *Employer Alliance* last year found that this mandate would cost employers nearly \$200 million annually.
- ◆ The New York State Task Force on Life and the Law reviewed this issue in 1998 and concluded: *“the question is whether New York should mandate coverage for assisted reproduction when policies routinely exclude coverage for a broad range of basic health care service and when so many New Yorkers have no health insurance coverage at all...Accordingly, we do not recommend legislation requiring insurance companies provide coverage for assisted reproduction.”*

REVIEW OF LEGISLATION

Senate Bills

1. Sole Proprietor Reform (S.7360 - Seward)

OUR POSITION: YES

Final Action: Signed by the Governor

Background on Proposal:

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The Employer Alliance Supported

this Legislation Because:

- ◆ Until the passage of this law, many sole proprietors could only access the expensive individual or “direct pay” market for health insurance.
- ◆ This law should provide a premium reduction for many sole-proprietors because their premiums will not be allowed to rise to more than 20% above the small group market rates, which are considerably less than individual market rates.

2. Computer Aided Mammography Study Bill

(S.6371-A - Fuschillo)

OUR POSITION: YES

Final Action: Signed by the Governor

Background on Proposal:

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The Employer Alliance Supported

this Legislation Because:

- ◆ This law represents the first time the New York Legislature will study the cost and efficacy of a proposed mandate *prior* to consideration.
- ◆ While the Alliance is concerned about any measure that may increase premiums, we wholeheartedly support the deliberative aspect of this law and urge lawmakers to pass a similar measure to require all mandates to undergo similar scrutiny.

3. Women’s Omnibus Mandate Legislation (S.7657-Bruno)

OUR POSITION: NO

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Cancer Institute and the US Preventive Services Task Force.) This new mandate encourages unnecessary testing at considerable expense to the health care system without demonstrable improvement in health outcomes.

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