

Letter to the Editor

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Reform fails to address the underlying problem

Insurance changes raise a red flag for New York's small businesses

As chairman of the Employer Alliance for Affordable Health Care, the question I'm most frequently asked is "What will federal health reform mean for my business?" As states like New York create "exchanges" to allow people to easily shop for health insurance—beginning in October of 2014, it's becoming clear that reform will give consumers a one-stop venue to review their coverage options.

However, recent studies have pointed out—nothing has changed in terms of addressing the cost drivers related to medical care. For a business like mine, cost and accessibility to coverage go hand-in-hand. In the past five years, my health insurance premiums through Healthy New York have increased anywhere between 14% and 24% - with only one single digit increase taking place in 2010 —when premiums rose by 9.5%. And, with the broad array of coverage required by the "essential health benefits" package, it is hard to believe premiums for products on the exchange will be significantly lower.

Having access to coverage is not the same as being able to afford it.

Even at this late date, there are several things that New York's Legislature can do to control costs.

1. Lawmakers can refrain from passing any new health insurance mandates, which will drive up health insurance costs now, and in the future. This is particularly true as under the Affordable Care Act, the state will have to pay for the costs of any new mandates.
2. Finalize New York's Health Care Quality and Cost Containment Commission. Let this entity do the work it was intended in terms of investigating the cost and medical efficacy of mandate proposals.

Insurance reform will only work when it offers products that people can afford.

Sincerely,

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