

*For Immediate Release:* April 2, 1012  
*Contact:* Pamela Reese Finch  
(518) [462-2296/employeralliance@yahoo.com](mailto:462-2296/employeralliance@yahoo.com)

## **Stop the rising flood**

**ALBANY** - The March/April issue of *Annals of Family Medicine* is now reporting that the cost of health insurance premiums will surpass the median household income in within the next two decades- if the nation's long-standing trends continue. Considering the State Legislator's recent efforts toward reform, small business owners will find this slightly disturbing news.

Last year, New York State lawmakers implemented a procedure called Prior Approval that allows the Department of Financial Services to approve in advance premium increases. While some state lawmakers have deemed this additional layer of oversight as a success in reducing costs, the fact remains that for most of New York's fully-insured, their health insurance premiums increased on average of 8% in January 2012.

According to the *Annals of Family Medicine*, even these “lower” increases are harmful for many New Yorkers. Using national data from the Medical Expenditure Panel Survey and the U.S. Census Bureau, researchers calculated the premiums paid by Americans from 2000 to 2009 and compared them to incomes. They found that insurance premiums rose 8 percent from 2000 to 2009, while household incomes rose only about 2 percent. If those same rates continue during the next two decades, the average cost of a family health-insurance premium will hit half of median household income by 2021 and surpass it by 2033.

This report confirms what the Employer Alliance has known for years that any increase in premium costs, even a minimal one, can have devastating effect on the small business community. Now that they have finished the state budget, New York Legislator's will begin to consider other legislation – including mandates and regulatory changes that will drive up costs. These misguided laws must stop.

The small business community must speak up and demand relief from additional cost-driving bills,

before the worse-case scenario develops. The Annals of Family Medicine paints a very real picture of what can be, if Legislatures fail to heed our call for immediate relief.

####