

New York State's Crisis – Affordable Health Care

The Employer Alliance for Affordable Health Care

MEDIA STATEMENT

The Employer Alliance for Affordable Health Care Congratulates the Senate for Passing S.1447 – Health Insurance Mandate Reform

*Statement by Scott Miller,
Chairman of The Employer Alliance for Affordable Health Care*

“The Senate’s passage of S.1447 brings New York State one step closer to establishing a more rational health insurance system. This bill, authored by the Senate Insurance Chairman, James Seward (R-50), will establish the New York Health Benefit and Cost Commission that would, in part, provide the Legislature with cost/efficacy studies for certain health insurance mandates prior to legislative consideration. Double digit premium increases in the past five years have forced many business owners to absorb a greater financial burden or discontinue their employee’s insurance coverage altogether. This only intensifies the health care crisis of 3 million New Yorkers – 2.3 million working – who are currently uninsured. Health insurance mandates approved by the legislature (laws that require carriers to cover specific treatments or services) have a direct correlation to the rising cost of health care. S.1447 provides lawmakers with critical knowledge that will help them make an informed decision before passing any new mandates. This legislation is long overdue. **We applaud the Senate for this farsighted action and urge the Assembly to follow their lead.**”

The Employer Alliance for Affordable Health Care is New York’s largest, single-issue coalition with more than 1,200 business members employing more than 100,000 individuals.

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Unfortunately, unlike 22 other states, New York does not formally evaluate health insurance mandates prior to legislative consideration. However, one state that does (Virginia.), has looked at the cost of mandated EI services in that state. In a report titled "The Financial Impact of Mandated Health Insurance Benefits and Providers" (2003), the State Corporation Commission evaluated a very similar (albeit more limited) mandate and concluded that EI services in Virginia cost as much as .7% of premium. The Alliance believes these numbers would be even higher in New York, where reimbursement rates and utilization are typically higher, and where the scope of the mandate benefit is broader.

The cost of health insurance continues to be a primary concern for all employers. The impact of increasing health care costs in New York is evident in the increasing number of uninsured. Interestingly, according to the United Hospital Fund, of the more than 3 million New Yorkers with no insurance, 63% work full-time. This suggests that health insurance affordability is at the root of New York's stubbornly high rate of uninsured. New York is facing a crisis that demands legislative initiatives to enhance access to insurance, not more mandates that further increase costs and reduce coverage options for employers and employees alike.

The Employer Alliance appreciates that both the counties and the state are under tremendous fiscal pressures. The rising cost associated with the Early Intervention program is just one of several areas where costs seem to be rising beyond expectations. However, merely off-loading non-health care related services to a limited and shrinking base of premium payers is not the answer. It will simply drive the cost of health care higher, increase the number of uninsured, weaken community rating by driving employers to self-insure and undermine economic recovery.

For all these reasons, the Employer Alliance urges you to vote NO on S.2108-A/S.1408-A.