

New York State's Crisis – Affordable Health Care

The Employer Alliance for Affordable Health Care

FOR IMMEDIATE RELEASE: June 6, 2003

**For more information, contact Pamela Finch
(315) 363-9657/office (315) 761-5755/cell
or Pamela.finch@verizon.net**

PRESS RELEASE

Study Concludes: Health Insurance Mandates Cost NY Businesses Over \$1,000 Per Employee Annually

Health insurance premium payers in New York State spend more than \$1,000 per employee annually to fund services mandated by the Legislature, according to the findings of an actuary study of Mandated Benefits in New York State, conducted by NovaRest Consulting.

The study, commissioned by The Employer Alliance for Affordable Health Care, found that by eliminating New York's current mandated benefits, the price of health insurance would decrease by more than 12% per year.

The study found that individual policyholders pay an additional \$445 and family policyholders pay an additional \$1,066 every year just to cover the cost of mandated services.

Health insurance mandates are laws that require insurance companies to provide a specific service or treatment in every policy. A company must pass the cost of these services along to its premium payers. Presently New York State has more than 30 different mandated benefits.

PO Box 1412 Albany, NY 12201-1412
Telephone: (315) 363-9657
Fax: (315) 363-9659

“Small business owners and sole proprietors have known for years that legislative action is driving up the cost of their health insurance,” said Employer Alliance Chairman Scott Miller. “This study, the first of its kind in this state, confirms that we are paying more than we need to and more importantly, the action of lawmakers are contributing to the number of people who are uninsured. It has reached the point where small business owners can’t take much more. New York has no system, no process to measure the fiscal impact of mandates before they become law. The result is a tremendous financial burden on New York’s small business community.”

Providing health care for employees is the single most important concern of small businesses, said Mark Alesse, state director of the National Federation for Independent Businesses and a member of The Employer Alliance Board of Directors.

“Health care is the biggest concern among our members, even greater than taxes,” Alesse said. “For most businesses, an immediate \$1,000 savings is substantial. Eliminating mandates would immediately generate much needed revenue which translates into more money that can be pumped back into a sluggish economy.”

Earlier this year, the New York State Business Council called on lawmakers to reduce health care costs by 10 percent and this study shows this could easily be done, said President Daniel Walsh. “When health insurance premiums increase, companies have to make a choice of whether to drop insurance coverage or shift the cost to their employees,” Walsh said. “Albany could lessen this burden and provide a significant savings and this study shows just how significant this instant reduction can be.”

Albany lawmakers propose nearly 100 health insurance mandates every year and legislation is passed without any kind of formal study to determine cost or efficacy. This year, advocates are rallying around a mental health mandate alleging minimal premium impact. This is in conflict with a variety of other studies that place this cost closer to 3%. This uncertainty highlights the need for a system of evaluating health insurance mandates prior to adoption.

The Senate passed such a bill earlier this year (S.1447). We look forward to the Assembly acting on this legislation before the end of the legislative session.

The Employer Alliance for Affordable Health Care is the largest, single-issue business coalition in New York State with more than 1,200 members representing 100,000 individuals who are committed to preserving quality affordable health care for all New Yorkers.