

**Testimony of The
Employer Alliance for Affordable Health Care**

*Public Hearing to determine the role of health insurance in the diagnosis and treatment of
autism spectrum disorder*

Senate Committees on Insurance,
Health, and Mental Health and Developmental Disabilities

October 23, 2009
Meeting Rooms 2 & 3
Empire State Plaza,
Albany, NY

Senator Breslin, Senator Duane and Senator Huntley, thank you for the opportunity to be part of this discussion on the treatment of Autism Spectrum Disorder and the role of private health insurance.

This testimony is being submitted on behalf of The Employer Alliance for Affordable Health Care. Founded in 1997, the EAAHC is the largest single-issue, grassroots, business coalition in New York State. Our members include more than 3,000 sole proprietors and small business owners who believe that **everyone should have access to basic, affordable health insurance.**

By the states' own admission, small businesses comprise of 98 percent of all businesses in New York State and employ 52 percent of New York's non-farm, private sector. This summer, Governor David Paterson called New York's small business community the "bedrock of New York's economy." Before you make a decision on mandated coverage for the Autism Spectrum Disorder, or any other treatment or service to be required as part of the basic health insurance package, we ask that you consider this piece of legislation under the broader umbrella of all health insurance mandates and their impact on health insurance costs. As you know small and medium-sized businesses cannot self-insure and as a result, will ultimately absorb any costs related to autism or any other mandated treatment. In these fragile economic times, we ask that you avoid any action that could put more people at risk of losing their health insurance coverage.

Background on Cost and Health Insurance Mandates

How many is too many?

A report published by the Council for Affordable Health Insurance titled “Health Insurance Mandates in the States 2008” ranked New York State among the three most heavily mandated states in the union - a distinction that is reflected in the fact that a family policy purchased in New York State in 2008 cost more than \$500 more than the national average (\$12,824.00 *Henry J. Kaiser Family Foundation/ State Health Facts*).

Collectively, the cost of paying for New York’s existing health insurance mandates accounted for slightly more than 12% of the total premium costs. (*Mandated Health Insurance Benefits in New York State/NovaRest Consulting*)

The costs of certain treatments are also recognized by New York State itself, which fails to include specific types of coverage (i.e. mental health and chiropractic care) in the state-subsidized Healthy New York plan.

Before New York can debate the merits of expanded autism coverage, we ask that you first utilize the mechanism that is already in place to determine its actual cost.

The New York Health Care Quality and Cost Containment Commission

The New York State Legislature introduces close to 100 different health insurance mandates each year, much like one being considered here today. These measures are voted on without an impartial, prior analysis.

In 2007 the State Legislature added a level of transparency to the mandate review process when it became the 27th state to establish the New York Health Care Quality and Cost Containment Commission. The purpose of this commission is to analyze the cost and medical efficacy and utilization of all mandate proposals and provide state lawmakers with an unbiased assessment of the cost and medical impact and other information needed to make an informed decision prior to passage. Two years have passed and the commission has not yet convened, nor, have all 13 appointments even been made. In these fragile economic times, it becomes even more important for our leaders to be prudent and determine the potential impact of ANY legislation before making a decision. We ask that you make completion of the appointment process a priority and allow this body to function as intended. Moreover, we ask that you refrain from passing any new health insurance mandates, including S.2366A, until the commission process is complete.

The Cost of Covering Autism Spectrum Disorder

Specific to the Autism Spectrum Disorder, it is important to recognize that by this commission's own admission, individuals who suffer from ASD (regardless of insurance coverage) do receive a level of care for specific *medical* conditions through a combination of resources that includes early intervention programs, private and public health insurance.

It should also be noted that ASD is one of the fastest growing neurodevelopment disabilities in the United States. Diagnoses are expected to increase by as much as 17% each year. We should note that mandated coverage historically results in greater utilization and subsequently, greater costs. While the intention of this hearing is to find ways to provide greater access in treatment for those suffering from ASD, we urge you to proceed with caution. Other states, including our neighboring Pennsylvania, have adopted mandates similar to this and all experienced subsequent rate increases that were attributed directly to this legislation (up to 1.5%). In an economy where people are scaling back on luxuries like dining out and even that morning cup of Starbucks, even a an extra \$200 per year is too much. Why? Statistically it is estimated that for every 1% increase in premiums in New York State, 30,000 people will loose health insurance. (Barents Group, 1999).

Now, more than ever, we urge you to proceed with caution and allow for a full and independent assessment of this legislation so we don't end up in a situation that ultimately diminishes access to health care for the very people whom it was intended to help.