

New York State's Crisis – Affordable Health Care

The Employer Alliance for Affordable Health Care

MEMORANDUM IN OPPOSITION

Bills: S.2173/A.22 – An Act to amend the insurance law, in relation to prohibiting certain limitations on coverage for the treatment of alcohol and substance abuse.

The Employer Alliance for Affordable Health Care, a coalition of more than 1,200 New York employers committed to keeping health care in New York affordable, supports a moratorium on all health insurance mandates. The high cost of health care in New York continues to climb at two to three times the rate of inflation. Accordingly, the Employer Alliance opposes S.2173/A.22 because it will further increase the cost of New York's health care at a time when businesses are facing relentless financial stress.

We find it ironic that this legislation would advance simultaneously with the commencement of "Cover the Uninsured Week." The impact of increasing health care costs in New York is evident in the state's high 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 exacerbate costs and reduce coverage options for employers and employees alike. Although alcohol and substance abuse treatments have been traditionally marred by poor outcomes, for some, treatment has provided a better quality of life. To the Employer Alliance, the question is not whether treatment for alcohol and substance abuse has merit – like many mandates – it does. The question is simply this: If the state were to tax small business to invest more money in health care, where should the next dollar go? Is levying a premium tax on small employers (i.e.: mandates) to fund treatments for alcohol and substance abuse more important than providing insurance for some of the 3 million New Yorkers with no coverage? How about expanding pharmaceutical coverage for the elderly or the underinsured? Or perhaps in this economic environment should we not tax small businesses at all?

Unfortunately, New York lacks a coherent health policy to help guide lawmakers through these difficult questions. The result is health policy decision-making subsumed by politics that is ultimately detrimental to the health of all New Yorkers.

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Today, New York has more than 60 mandated benefit bills under consideration. However, unlike nearly 25 other states, we have no process to evaluate these proposals for cost or efficacy. Over the next several weeks both houses may vote on additional mandates including wigs and mental health parity as well as the more than \$100 million mandate to cover early intervention services outlined in the Executive's budget. Cumulatively, if enacted, these bills could account for *hundreds of millions in additional premiums annually*. For premium payers already suffering from 10%-20% increases in premium this year, passage of any measure that exacerbates this trend is unconscionable. We cannot afford this mandate or any other mandate this year.

For all these reasons, the *Employer Alliance for Affordable Health Care* urges you to vote **NO** on this legislation.