

# New York State's Crisis – Affordable Health Care

The Employer Alliance for Affordable Health Care

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## *MEMORANDUM IN SUPPORT*

**Bills: S.1447 – An Act to amend the insurance law and the legislative law in relation to creating the New York Health Benefit and Cost Commission.**

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The **Employer Alliance for Affordable Health Care** is a grassroots coalition of more than 1,250 employers committed to keeping health care in New York affordable. S.1447 seeks to introduce a more rational approach to legislating health insurance mandates by establishing the New York Health Benefit and Cost Commission that in part would provide the Legislature with cost/efficacy studies for certain proposals prior to legislative consideration. **We enthusiastically support its passage.**

Health care coverage continues to be a critical concern for businesses statewide, especially for small business owners. In an October editorial, the *Wall Street Journal* noted that “mandates hurt those who can least afford it. Large employers that “self-insure” are exempt from state mandates under the 1974 Employee Retirement and Income Security Act (ERISA). Instead the burden falls on small business and the self-employed.” Several consecutive years of steep annual premium increases have placed in peril the ability of many employers to continue providing coverage for themselves and their employees.

Despite these concerns, legislators continue to introduce and pass bills mandating coverage of benefits with alarming frequency and with no apparent system to evaluate each proposal for medical efficacy, its impact on premiums or the growing number of uninsured New Yorkers (More than 3 million). With the addition of the contraceptive and infertility mandates passed in 2002, currently every fully insured health insurance policy sold in this state includes **33 mandated services** (fifth most in the country). More than 50 other proposals are already introduced and under consideration by both Houses of the Legislature.

Nearly 25 states including our immediate neighbors Pennsylvania, New Jersey and Vermont and most recently Massachusetts require a cost/efficacy analysis for health insurance mandate bills. The goal of S.1447 is to ensure that lawmakers have the information they need to ascertain the value of each mandate proposal and determine the appropriateness of legislating such coverage.

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The need for this legislation is critical. Rising health care costs are predicted to continue to climb well above the rate of inflation in the near future. For the more than three million New Yorkers with no health care coverage – the prospect of being able to find affordable coverage is growing more remote. **We believe that the first step to keeping coverage affordable is to pass mandate relief legislation.** This will ensure that any mandate passed in this state will not undermine efforts being made to expand insurance coverage opportunities.

Never has the need for this legislation been more critical. Vote **YES** on S.1447.

**March 2003**