

Alliance ALERT!

Winter

A Publication of The Employer Alliance for Affordable Health Care

2002

A Health Care Crisis Hits Home

As a small business owner in Nashville, Tennessee for 17 years, Kevin Walker was always able to purchase reasonably priced health insurance from a private carrier for himself and his wife, Gail.

That changed four years ago when the couple moved their antique and restoration business to North Fifth Street in Hudson. It was the beginning of a personal health care crisis that may have put their long-term needs in jeopardy. What made it more shocking was learning how state lawmakers compounded the situation by passing health insurance mandates.



Kevin & Gail Walker

Tennessee ranks 29th nationally in its number of insurance mandates, according to the Kaiser Family Foundation. New York State is ranked 9th in the number of mandates.

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Alliance to Lawmakers: Stop All Mandates!

The Employer Alliance for Affordable Health Care took action this October, when the United States Census Bureau reported that 41.2 million Americans lack health care coverage.

The Alliance asked all New York State legislators to pledge their support to keep health insurance affordable and available to everyone. According to Alliance Chairman Scott Miller, more than 3 million uninsured people live and work in New York State. The number of businesses that offer health insurance coverage to their employees is shrinking to a rate of nearly 60%. Small employers continue to experience the biggest impact.

"Affordability is the root of the problem," Miller says. "That is why we have asked state lawmakers to pledge their support. We have asked them to take an active role by being cautious and not exacerbating the high cost of health care by passing laws that mandate additional coverage, particularly when the playing field is not level."

Miller explained that companies in New York State with the ability to self insure do not have to cover state mandates. He said, "A moratorium on mandating new benefits is a reasonable first step in dampening New York's skyrocketing premiums and is long overdue."

Special Alert!...

Watch Out For These Mandates

January marks the start of a new session in Albany. As the year progresses, state legislators will consider a new collection of health insurance mandates – requiring policies to cover wigs, hearing aids, and numerous unproven or cost-excessive treatments. To help Alliance members stay informed, we have outlined the provisions of key mandates we expect to see some action on, and how they could impact the insurance premiums of our members.

Wigs – Would require coverage of "cranial prostheses," or wigs, for individuals suffering from permanent or temporary hair loss due to an accident, injury, disease or treatment of such. We believe that the scope of this mandate is too broad and that passage could open the door to cover a wide range of services traditionally considered cosmetic.

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**The Employer Alliance
for
Affordable Health
Care**

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Keep Health Care Affordable in
New York State*

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A Health Care Crisis Hits Home

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Health insurance mandates are legislative requirements that force insurance carriers to include specific types of treatments or procedures in every policy sold in New York State. Lawmakers consider an average of 100 different mandate bills each legislative session.

Said Walker, "I went to transfer our policy to New York State and I was surprised to learn that it would cost significantly more, in part to cover cost of additional mandated benefits.

To come from Tennessee and pay more in taxes, then have to pay a difference in premiums, it was unbelievably shocking."

The antique market will not support an increase in his hourly rate to cover the expense of insurance premiums, so Walker took on additional work to raise the extra money to pay for health insurance.

"People forget that it's not a tax-free ride to pay for insurance," Walker said. "I figure that it took 25 percent of our income trying to make sure we have health care protection."

The Walkers' health insurance premiums continued to increase every year. In January of 2002, they were forced to make a drastic decision to cancel their health insurance coverage all together. "We had already started to borrow money to buy insurance," he said. "The only choice we had was to cancel our policies and take our chances – a somewhat scary thought now that we are getting older."

The couple exhausted every option before making such a difficult choice, Gail Walker said. She looked into a variety policies and even considered refinancing their home to cover the cost of monthly premiums. "We don't need to be covered for every little thing," Gail Walker agreed. "We just need a plan that offers good, basic coverage. I want that choice."

Editor's Note: *The Walkers' are two of the roughly 3 million New Yorkers who currently lack any health insurance. Seventy-five percent of those 3 million individuals are working.*

"We don't need to be covered for every little thing; we just need a plan that offers good, basic coverage. I want that choice."

Skyrocketing Premiums?

The Answer is Just a **Click** Away



www.employeralliance.com

THE NUMBERS ARE IN!

Health insurance premiums will increase as much as 20% in 2003.*

Tell your lawmakers that insurance mandates are hurting New York State, and only their vote can stop this problem.

Visit our web site and take action to fight unnecessary and expensive health insurance mandates.

Become a Cyber Activist.
www.employeralliance.com

* According to the Buffalo News, November 2002

The "A" List Awards

Taking Our Message to Albany

Chairman Scott Miller spent a day in Albany last spring thanking lawmakers who consistently voted against health care mandates. Miller, and public relations coordinator Pamela Finch, visited with 12 lawmakers who received an "A" grade on the 2001 Legislative Report Card. He shared the concerns of our members and presented the legislators with a special award, honoring the "A" List members for their role in supporting affordable health care. Assemblyman John Faso was unavailable for a photograph.



Assemblyman Thomas Barraga



Senator Neil Breslin



Assemblyman Robin Schimminger



Assemblyman Pat Casale



Senator Raymond Meier



Senator James Seward



Assemblyman Thomas Kirwan



Senator Richard Dollinger



Senator James Wright



Assemblyman Robert Warner



Senator John R. Kuhl, Jr.

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Attention Governor Pataki!

We have teamed up with other powerful business coalitions to take the message of health insurance reform straight to the top.

The Employer Alliance and 11 other organizations asked Governor George Pataki to address the need for health insurance mandate reform in his upcoming state-of-the-state-message. The Alliance, the Business Council of New York State, the National Federation of Independent Businesses, the New York State Farm Bureau, the New York State School Boards Association, the Health Insurance Association of America, New York Health Plan Association, MACNY, The IMC and The Buffalo Niagara Partnership all supported this initiative.

Chairman Scott Miller and board member Mark Alesse spearheaded the effort to maintain lawmakers awareness of the broad impact that can come from health insurance mandates. We hope that state officials will recognize this need and develop a more rational policy when they considering future legislation.

Welcome New Members

We are pleased to welcome the following new members to our organization. Thanks to their enthusiasm, The Employer Alliance for Affordable Health Care remains the largest single-issue business coalition in New York State. Since 1997, our members have been working together to spread the word on why state mandates are detrimental to businesses in New York State.

- The New York State Farm Bureau
- The New York State School Boards Association
- The IMC
- Watertown Chamber of Commerce
- We also welcome the many small business owners and sole proprietors who remain the heart of this organization.

Mandates

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Hearing Aids – Would require the coverage of hearing aids. Some of these devices can cost upwards to \$2,500 a pair.

The state has negotiated such a benefit for its workforce. Unlike this open-ended proposal, that benefit has a \$1,000 annual cap. However, even with the cap, this benefit cost state taxpayers more than \$843 per claim on more than 6,000 claims annually.

We could predict the cost of this mandate to exceed \$30 million if required commercially.

Lyme Disease – Would require coverage of long-term antibiotics to treat Lyme Disease. Our concern is that during drug trials, the National Institute of Health's Data and Safety Monitoring Board found such treatment to be ineffective.

Mental Health Parity – This mandate would require coverage of mental health services, which, according to advocates of the bill, would cost New Yorkers' nearly \$165 million annually. The Alliance views this as another unwarranted tax on small businesses.

Albany's Solution for Affordable Medicine?

In the face of increasing health care costs, the state enacted two health insurance mandates in 2002 which will continue to exacerbate the cost of health insurance and prescription medication. While passage of any mandate is bad news for employers and employees alike, these specific measures - the **Infertility Drug Provision** and **Women's Omnibus Mandate** - are most unfortunate because prescription drugs are already one of the fastest rising segments of the health care system.

Infertility Drugs

Approved as part of the budget, the Infertility Drug mandate requires coverage of pharmaceuticals used in treating infertility. This law is the culmination of a four-year battle. Although the mandate passed, The Employer Alliance led the fight to narrow the scope of coverage and successfully eliminated the most expensive portion of the original proposal – assisted reproductive technologies.

Women's Omnibus

The provisions of this bill redefine the current, comprehensive mammography coverage. It mandates certain coverage related to osteoporosis and demands coverage of all FDA approved contraceptives. The bottom line: employers who don't offer any – or limited contraceptive coverage can expect increased pharmacy costs next year.



News From the Board of Directors

Alliance Lends Election Support

The Employer Alliance for Affordable Health Care took a bold step by endorsing lawmakers who share our views on health care mandates.

The Board of Directors decided for the first time in Alliance history to become involved in the primary and general elections by endorsing candidates with “A” grades on the 2001 Legislative Report Card. The Report Card is created by the Alliance to show members how committed their local lawmakers are to affordable health care. To complete the endorsement process, Chairman Scott Miller sent a letter of support to each “A List” candidate. The Alliance also issued press releases and mailings to members in those districts.

“Health care decisions made in Albany have a very real impact on our members,” Miller said. “The lawmakers we endorsed have consistently voted against such mandates, showing they truly understand the inequity placed on small businesses.”

Introducing... Brian Clark

The Employer Alliance for Affordable Health Care recently appointed Brian Clark of Syracuse to the organization’s Board of Directors. He fills the remainder of a two-year term vacated by resignation of board member Janet Fish of Lansing.

Clark is Director of Government Relations for the Manufacturers Association of Central New York (MACNY) in Syracuse, a regional trade association representing more than 300 employers in a 19-county region in upstate New York.

Clark began his career as a legislative assistant in the United States House of Representatives. He holds a master’s degree in public administration from George Washington University’s School of Business and Public Management.



Brian Clark

Rosplock Retires

Board member Helen M. Rosplock, who recently retired as the owner/vice president of Bay Ridge Group in Endwell, has resigned from the Board of Directors. Her term was set to expire in August.

“Helen was an extremely active board member who has worked diligently to help the Alliance reach lawmakers with our message about the inequity of health care mandates on smaller businesses,” said Chairman Scott Miller. “We are grateful for the time and dedication she has shown to this organization and wish her the best of luck in her retirement.”

The Board is currently accepting recommendations to fill the remaining months on Rosplock’s two-year term. To make a nomination, call (315) 363-9657 or e-mail to employeralliance@yahoo.com

Mission Statement

We are a coalition of more than 1,200 NYS business owners representing more than 100,000 employees who believe in keeping health care affordable for everyone by eliminating the financial burden caused by unnecessary legislative mandates.