



Setting ^{THE} record straight

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Cost-reducing reforms essential to health-care debate

Basic benefits plans would make health care more affordable

A fundamental problem with the various state-subsidized health-care proposals that have been under consideration in the General Assembly (*Cover All Pennsylvanians, Access to Basic Care*) is that they reshuffle costs and ways to pay for them rather than take meaningful steps to solve affordability concerns that plague the current health-care system. Employers and individuals are often faced with difficult choices and few options as a result. But instead of looking for ways to reduce the cost drivers of health care, lawmakers are doing just the opposite.

In July, Gov. Ed Rendell signed into law legislation requiring private insurance companies to cover autism spectrum disorders and colorectal cancer screenings – mandates No. 39 and 40 in Pennsylvania for those keeping track. And many more have been introduced and are pending in the General Assembly.

The concern with health insurance mandates is that collectively, they add to the cost of health insurance. A recent national study found that benefit mandates and regulation are responsible for 15 percent of health-care cost increases – mandates and regulation add an estimated \$10 billion to the nation's health-care costs.

At a time when elected officials are looking to reform an ailing health-care system, exacerbating existing cost pressures is not the solution. At the very least, if elected officials are going to continue dictating what private insurance plans must cover, they owe it to employers – small businesses in particular – and individuals struggling with the cost of health care to make available affordable options that are designed to meet individuals' specific needs.

Florida moves towards basic benefits plans

During a weeklong series of bill signings in May, Florida Gov. Charlie Crist signed an autism mandate bill, but along with that he also signed into law legislation that allows Florida insurers to offer bare-bones, basic benefits health-care plans that are free of that state's 50 coverage mandates. The package includes minimum coverage for primary and preventative care, as well as catastrophic and hospital expenses.

The bill's sponsor called the measure a "giant step in furnishing health-care access through affordable health care for all Floridians."

And a supportive *Wall Street Journal* editorial observed, "When prices rise because of mandates, the less affluent are often forced to make an all-or-nothing choice between 'Cadillac coverage,' which involves just about everything, or going uninsured. In other words, they're prohibited from buying the low-cost options that might be better suited to their needs."

Another major newspaper, *The Las Vegas Review-Journal*, pointed out that with a basic benefits option, Florida "has the right idea regarding cost-reducing reforms."

Some Pennsylvania lawmakers have the right idea too

Legislation is pending in the General Assembly that would give Pennsylvania employers and individuals the option of a bare-bones plan free of costly government mandates. So too is legislation that would place a moratorium on new or expanded health insurance mandates so that a cost/benefit study can be conducted.

All Pennsylvania elected officials can demonstrate they are serious about health-care reform by enacting these and other cost-reducing options, including commonsense legal reform. Doing so will put the Commonwealth on the road to meaningful health-care reform, ensuring the availability of adequate, accessible and affordable health care.

Contact: Lesley Smith, director of communications, 717 720-5446.

The Pennsylvania Chamber of Business and Industry is the state's largest broad-based business association, with its membership representing nearly 50 percent of the private workforce. More information is available on the Chamber's website at www.pachamber.org

