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Cost of Health Insurance Mandates to Get Overdue Review

It has been the Ohio Chamber's longstanding position to steadfastly oppose any new health insurance mandates. That's primarily due to the fact that each benefit mandated by the state comes with a corresponding increase in the cost of health insurance – and employers can't just continue to absorb higher premium costs due to government interference in the marketplace.

During the two-year session of the Ohio General Assembly that just concluded, there were seven bills introduced that would have imposed new benefit mandates. While six of these bills died, the major elements of one were rolled into another bill, House Bill 463, and passed on the expected last day the legislature was in Columbus for the year. This new mandate will require all health insurance policies to include coverage for the screening, diagnosis and treatment of autism and autism-related conditions in all grandfathered plans and plans purchased by employers with more than 50 employees.

While it's true Ohio passed yet another health care mandate, there is a silver lining: also added to HB 463 – at the insistence of the Ohio Chamber and NFIB Ohio – was a requirement that the Ohio Department of Insurance conduct an actuarial study on the costs of Ohio's existing health care mandates. One national study – not Ohio specific – estimated that mandated benefits currently increase the cost of basic health coverage in a typical state by approximately 20 percent, depending on the number of mandates and the benefit design.

There are already 31 mandates on the books in Ohio – autism coverage will be number 32 – and several of them were first enacted decades ago. Never before has there been an actuarial evaluation of any, let alone all, of them. The study must be completed within two years and, once done, we'll finally know just how much mandates add to the cost of health insurance in Ohio.

In addition to the actuarial study, HB 463 contains two other important provisions related to health insurance mandates. First, the bill includes language, pushed for by the Ohio Chamber, expressing the General Assembly's intent to implement a two-year moratorium on any new health care mandates. It also states that the General Assembly intends to develop potential tax credits that would offset additional employer costs associated with health care mandates.

To be sure, intent is not the same as action, but both of these provisions are positive steps nonetheless and represent an acknowledgement by lawmakers that, whatever benefits may be gained by passing another mandate, there are also negative effects on Ohio's job providers.

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