ISSUES & POLICIES

Opposing Mandates: Fact Sheet

One of the most significant healthcare cost drivers in Connecticut is the state's high number of health benefit mandates—laws that require state-regulated insurance policies to cover certain medical procedures and services.

Higher Cost, Less Access

Connecticut now has at least 59 health insurance mandates, and by some counts the tally is well over 60. Each mandate immediately raises health insurance premiums. Add them all up and the result is that it's harder for small businesses and their employees to afford health insurance.

- The Council on Affordable Health Insurance (CAHI) estimates that health benefit mandates add an estimated 20% to 50% to the cost of health insurance in Connecticut.

- And a recent report by the National Center for Policy Analysis estimates that 25% of the uninsured in the U.S. have been priced out of the market by state mandates.

Small Businesses Hit Hard

Small businesses generally cannot afford to self-insure (that is, directly pay for their employees' medical claims), so they must purchase healthcare through state-regulated, fully-insured policies. And with each new or expanded mandate, the cost of insurance for these plans rises.

Larger businesses, on the other hand, are more likely to self-insure, which means they avoid the state-regulated mandates. Consequently, mandates unfairly and disproportionately make health insurance more expensive for those that can least afford it—small businesses and their employees.

Better prescription

When it comes to cutting the high costs of healthcare in Connecticut, policymakers need to adapt the old proverb "Physician, heal thyself." That's because as lawmakers rail against high healthcare costs on the one hand, they work to raise them with the other with mandates

If lawmakers are truly serious about reducing the cost of healthcare in Connecticut, they should impose a moratorium on mandates.