



# MEMORANDUM IN OPPOSITION

**FOR IMMEDIATE RELEASE: APRIL 4, 2011**

Re: S.114 (Diaz)/A.256 (Latimer) – An act to amend the insurance law, in relation to insurance coverage for mentally or physically disabled dependents.

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This legislation, S.114/A.256, would require health plans to make available an option to cover mentally or physically disabled dependents, regardless of their age, to those purchasing a “family policy.” The New York Health Plan Association (HPA) opposes this legislation because it is poorly drafted and is counter to the sponsors’ stated intent.

The sponsors of this bill are seeking to mandate an option for a benefit already covered by current law. The bill language is less than clear in that the proposal to make coverage available (“may” to shall”) directly conflicts with the provision in current law that leaves the ultimate decision to offer the option to the insurer. Additionally, the bill eliminates coverage for individuals with a physical handicap who became handicapped prior to the age limits of the bill. This is in direct conflict with the stated goal of the sponsors to cover both mentally and physically disabled dependents.

This legislation would only apply to those families who have commercial insurance, paid for by their employer through the small group market, and ignores those families that receive their health insurance through their union welfare fund or employer sponsored health insurance (self-insured). In New York fifty-five percent of families receive their health insurance through a self-insured plan and will not receive any potential benefit from this provision.

As part of federal health care reform, the federal Health and Human Services Agency will determine and define the “essential benefit package” for the individual and small group markets inside the insurance Exchange. The purpose of the “essential benefit package” is to limit health insurance mandates and thus the cost of health insurance to individuals and small businesses. If an insurance mandate such as this is not included within the “essential benefit package” then the mandate will either need to be repealed or funded wholly with state dollars.

While the sponsors’ intent is laudable, current law already provides for the contemplated benefit. The bill is poorly drafted and eliminates coverage for physically handicapped individuals that would be covered under current law. We urge you to say no to S.114/A.256.

*The New York Health Plan Association represents 25 managed care health plans that provide comprehensive health care services to nearly 7 million New Yorkers.*