



MEMORANDUM IN OPPOSITION

FOR IMMEDIATE RELEASE: MARCH 1, 2011

Re: S.3270 (Hassell-Thompson)/A.4492 (Meng) – An act to amend the insurance law and public health law, in relation to requiring certain health insurance policies to include coverage for the cost of certain infant and baby formulas.

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This legislation, S.3270/A.4492, would require health plans to provide coverage of infant and baby formula. The New York Health Plan Association (HPA) opposes this legislation because health insurance mandates result in increased costs for individuals and employers purchasing health insurance in New York.

The bill would expand the optional pharmacy benefit to provide coverage for infant and baby formulas. By mandating coverage of these formulas as part of the pharmacy benefit, individuals and employers seeking health insurance coverage will either pay more for prescription drug coverage or go without it.

In 2007, the New York State Health Care Quality and Cost Containment Commission was established to analyze the impact any proposed mandate would have on health insurance costs and quality of care. This analysis would look at current plan practices with regard to the benefit, review medical literature related to the potential impact on health care quality, and assess the possible premium impact of the proposed mandated benefits as well as the potential for avoided costs through early detection and treatment of conditions or more cost-effective delivery of medical services. At this time, not all of the appointees to the commission have been submitted. Until the commission is in place, any new mandates proposals including this one should be prohibited.

With the enactment and ongoing implementation of federal health care reform, the Legislature needs to pay special attention to new insurance mandates. As part of federal health care reform, the federal Health and Human Services Agency will determine and define what the "essential benefit package" will be for the individual and small group markets outside the insurance Exchange. If an insurance mandate such as this on infant and baby formula is not included within the "essential benefit package" then the mandate will either need to be repealed or funded wholly with state dollars.

At a time when many New Yorkers are struggling to afford the health insurance coverage they have, and when the state is working to implement federal health care reform and expand access to coverage to more New Yorkers, this bill is ill advised. We urge you to say no to S.3270/A.4492 and to seek solutions that will make insurance more affordable and available to more New Yorkers.

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