

Mandates Affect Businesses' Bottom Line

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Health mandates are some of the hottest issues of modern-day America. There has been endless debate on exactly what the government can and cannot force insurance companies to do in regards to their clients. Regardless of where one might stand on these issues, the next few years will see more and more legislation focused on this topic. Bills have been filed in numerous states concerning various health mandates, and Louisiana is no different.

Health mandates can take many different forms. On the nationwide stage, the health care bill signed into law by President Obama mandates that insurance companies not refuse anyone coverage based on pre-existing conditions. As another example, insurance companies must continue to cover dependants under a parent's health plan until age twenty-six. Louisiana is enacting bills similar to some of the mandates included in the federal bill.

Most of the bills filed by the state legislators are bills that are also covered under the federal health care bill. Louisiana is, however, one of the 13 states to date that has filed a lawsuit against the federal government concerning the federal health care bill. The case will, of course, take time to enter into the court system and be resolved. However, the outcome of that case will strongly influence the bills being debated this session, whether they are passed into law or not.

In the current session which started on March 29, 2010, Representative Chuck Kleckley has introduced House Bill 244, which is aimed at mandating health coverage of dependents under a parent's plan until age twenty-six. Senate Bill 230 and Senate Bill 668, introduced by Senators Gautreaux and Hebert, respectively, are both concerned with the same issue. Representative Barrow has filed House Bill 265, which mandates health insurance coverage of annual sexually transmitted disease screenings. All of these mandates are issues which will directly affect health insurance companies.

Mandates are nothing new to Louisiana. Several bills concerning mandated health care coverage have been introduced to the Louisiana legislature previously and a few have even been passed and signed into law. For example, HB 958 in the 2008 Louisiana Legislative session mandated that insurance companies cover up to \$36,000 per year for treatment of autism to a lifetime maximum of \$144,000 for children under 17. This bill, while only applying to an estimated 400 children, increased rates by \$1.24 per member per month for single policy holders and \$3.42 per member per month for family policy holders. As one can see, small changes to policies can have relatively large impacts for other policy holders.

The cost of State-imposed mandated benefits are felt primarily by small businesses. These mandated benefits are some of the largest obstacles for small businesses in their attempt to purchase affordable health care. A

study by The Lewin Group has shown that “every 1% increase in health insurance premiums results in net loss of coverage for over .2% of workers.” Mandated benefits directly affect the rate of uninsured in the state and directly increase costs for small businesses.

The bills filed by the legislators in the state legislative body are all bills that will be debated strongly during the 2010 session, and McGlinchey will be involved in the legislative process, as per our clients' interests. We will continue to research the bills filed by the various legislators in the Louisiana state legislature and continue to inform our clients of legislation that could possibly influence their business.