



121 STATE STREET
ALBANY, NEW YORK 12207-1693
TEL: 518-436-0751
FAX: 518-436-4751

March 5, 2009

RE: AN ACT to amend the
insurance law, in relation to
health insurance standard
provisions for audiological
and speech language
pathology examinations and
evaluations

A. 367 (Jacobs)

MEMORANDUM IN OPPOSITION

Submitted on behalf of the
Blue Cross and Blue Shield Plans

The New York Blue Cross and Blue Shield Plans oppose enactment of this bill, which would require insurers to provide coverage for annual audiological examinations and evaluations performed by a licensed physician or licensed audiologist. This bill would also require coverage for an unlimited number of speech-language pathology examinations and evaluations that are recommended by a licensed physician, licensed audiologist or licensed speech-language pathologist, upon completion of the annual examination.

1. THE COVERAGE MANDATED BY THIS BILL IS OVERLY BROAD.

This bill would require insurers to provide coverage for annual audiological examinations and "speech-language pathology examinations and evaluations as are so recommended" by a licensed physician, licensed audiologist or licensed speech-language pathologist. The bill does not provide any guidance as to what type of procedures would be covered during the speech-pathology examination or what type of medical conditions, if any, would prompt the additional examinations mandated by this bill. In essence, the language of this bill would require insurers and managed care organizations to provide coverage for a potentially unlimited number

of speech-pathology examinations and evaluations. This overly broad language severely limits the ability of insurers to reduce costs which may result in higher health insurance premiums.

2. THIS BILL WILL INCREASE HEALTH CARE COSTS BY EXPANDING EXISTING BENEFIT MANDATES.

This bill would increase health care costs by requiring insurers to provide coverage for annual audiological examinations and evaluations and follow-up care as determined by the provider. The number of mandated benefits has increased to more than twenty five times of those in existence in 1970. New mandates increase health care costs, thereby decreasing employers' ability to offer coverage, which is highly sensitive to price increases. A study by the Lewin Group indicates that each one-percent increase in private insurance premiums results in a 400,000 person increase among the uninsured population. New mandates also result in less wages for workers, as employers offering health insurance must pay more for each of their benefits.

The mandate contained in this bill will increase insurance costs and make health care coverage unattainable for more employers and individuals. This mandate is particularly troublesome because of broad scope of its language.

3. THIS BILL WILL ENCOURAGE MULTI-STATE EMPLOYERS AND UNIONS TO PURCHASE THEIR POLICIES FROM AN INSURER IN ANOTHER STATE.

This bill would apply to policies covering employees in more than one state, which are usually purchased by larger employers or unions. New mandates increase the expenses for the employers and unions in order to provide health benefits to their employees and members. Each new mandate applicable to such policies increases the cost of purchasing insurance in New York, placing New York insurers at an increasing comparative disadvantage to insurers in other states with fewer mandated benefits (and therefore less expensive policies). By making New York insurance policies less attractive to multi-state employers, costly mandates decrease the likelihood that policies covering New York employees will provide the very benefits the mandates seek to impose.

For all of these reasons, we urge that this bill not be enacted into law.

Respectfully submitted,

HINMAN STRAUB P.C.
Legislative Counsel for the
Blue Cross and Blue Shield Plans