

# THE JOURNAL RECORD

Opinion

## Office Visit: Mandates: One size doesn't fit all

January 21, 2009

With the start of this year's legislative session drawing near, health care is sure to be a topic high on many Oklahoma lawmakers' lists. If you're like me – an average “Joe” – it's important to stay informed about proposed initiatives that may affect your business and employees.

One legislative issue that impacts health care is mandated benefits. A mandated benefit is a law that requires a health plan to cover – or offer to cover – specific providers, procedures, benefits or people. Oklahoma currently has 36 health insurance mandates.

While mandated benefits make health insurance more comprehensive, they also can make it more expensive and less accessible to consumers. In some cases, mandates require insurers to pay for care that consumers previously funded out-of-pocket, if they purchased it at all, so insurers have higher benefit costs – and eventually they must raise premiums to cover those costs.

The unfortunate irony is that the costs of state mandates impact fully insured businesses, which are usually smaller employers that can least afford higher premium costs. Many large employers have self-funded plans that are regulated by federal law – specifically the Employee Retirement Income Security Act, or ERISA. These ERISA-governed plans are generally exempt from state-law-mandated benefits.

It's not a question of whether the health care addressed in the mandates is a good idea. In a perfect world, every business owner would gladly provide additional coverage on every insurance policy they offered. The reality is small business owners have to watch how much they spend on an employee's health insurance – too much and they may reduce benefits or drop health coverage altogether.

A better approach is to let the market dictate benefits. By giving employers the flexibility to choose benefit packages, they are able to offer attractive benefit plans that meet the needs of their work force and appeal to potential employees.

For example, my employer, Blue Cross and Blue Shield of Oklahoma, reacts when there's a market demand for a particular benefit and works to design a cost-effective and medically appropriate benefit for our group plans within the standard of care. Our standard of care is based on nationally recognized guidelines by well-accepted medical societies and recently published medical literature. Allowing the market to drive the benefits enables employers to make the right decisions for their families and employees, rather than a one-size-that-fits-all approach.

Many lawmakers have already filed insurance mandate bills this year. Typically, sponsors of these bills do not estimate how much the new coverage mandates will cost insurers and employers. For this upcoming legislative session, the Oklahoma Senate has set new rules to now require a fiscal impact statement in bills that deal with insurance mandates. It's only fair that the impact of a mandate on consumer expenses is known.

If you haven't already, I encourage you to contact your legislator and be actively involved with these and other important issues that could impact your business. Let your voice be heard.

*Joseph Nicholson is chief medical officer and vice president of health care management for Blue Cross and Blue Shield of Oklahoma.*

Copyright © 2009 The Journal Record All Rights Reserved  
101 N. Robinson Ave., Ste. 101, Oklahoma City, OK, 73102 |  
P.O. Box 26370, Oklahoma City, OK, 73126-0370 | (405) 235-3100  
415 S. Boston Ave., Ste. 101, Tulsa, OK 74103 | (918) 295-0098