

New Mandates Would Drive Up Health Premium Costs by \$1.2 Billion



California Association of Health Plans

Covering more than 26 million Californians, health plans are dedicated to ensuring that everyone has access to high quality, affordable health care. This year, California’s Legislature is considering several new mandate bills that, as proposed, would altogether **drive up premiums by \$1.2 billion.**

As legislators continue to mandate more and more services, premiums go up for everyone, whether they use those services or not. Are more prescriptive mandates necessary to provide good quality healthcare that satisfies Californians and keeps them healthy?

According to analyses by the California Health Benefits Review Program (CHBRP) at the University of California, **the following bills are estimated to cumulatively raise health plan premiums by \$1.2 billion dollars:**



AB 570 <i>(Santiago):</i>	SB 568 <i>(Pan):</i>	AB 32 <i>(Aguilar-Curry):</i>	AB 97 <i>(Nazarian):</i>	SB 306 <i>(Pan):</i>
Would mandate health plans and employers to provide coverage for adult dependents, increasing premiums and out of pocket costs by up to \$936 million.	Would require health plan contracts to eliminate the deductible for outpatient prescription drugs and some covered benefits that are used to treat chronic conditions – increasing premiums by \$262.4 million.	For new telehealth coverage and reimbursement requirements, it would increase premiums by \$62.6 million.	Would increase premiums by \$24 million for a prohibition on insulin deductibles.	Would raise premiums by over \$20.2 million for STD home testing kits.

Cumulatively, these mandate bills as proposed would add up to **\$1.2 billion** in increased annual health care premiums.

New mandates raise the cost of health care for everyone — yet the mandates themselves might only benefit a relatively small number of people. New mandates are approved by the state legislature each year and continuously add to the heap of costs that altogether have reached multi-billions of dollars in increased premium costs for health plan enrollees.

CAHP urges legislators to always look at the bigger picture by cumulatively reviewing the costs of proposed mandates and to consider the impact they will have on the affordability of health care for all Californians.