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Insurance fee is being passed on to employers

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Guest essayist

As the "Fed Up With Albany" campaign points out, we need our elected officials to act before this session adjourns to bring state spending in line with reality.

Rochester Business Alliance members have been calling to express outrage at being informed by their health insurance carrier, MVP Health Care, about a midyear increase in their premiums.

What can be done about it, they wanted to know. I told them to call Albany.

For the last seven years, our members have told us that rising health care costs are the No. 1 impediment to their success. Businesses know that providing health insurance is a wise investment, allowing them to attract and retain good workers as well as keep their staffs healthy and productive at work.

So they've paid the price, or passed it on to their workers, while we've debated the multitude of reasons why the costs rise. This time around, there's a simple answer: Out of control state spending and bad budget decisions in Albany.

MVP is increasing premiums (and others likely will follow suit) for one reason: To pay its portion of the \$850 million in assessments levied on health insurers just to raise money to balance the 2009-10 state budget.

As Assemblyman Joe Morelle, who chairs the Assembly Insurance Committee and opposed the increased taxes, recently said, "You put new taxes on an industry and they make them up by raising prices. You tax a utility and electricity goes up. That's how it works."

Rather than raising assessments, our legislators need to reduce health care costs by cutting mandates, which add about 12 percent to policy costs and make it impossible for insurers to provide basic, less costly coverage that would appeal to many consumers.

Until Albany figures out how to live within its means, we'll all just keep picking up the tab.

Parker is president and CEO of the Rochester Business Alliance.