



REPORT:

ILLINOIS HEALTH INSURANCE MANDATES

HOUSE RESOLUTION 332 & 406

COMMISSION ON GOVERNMENT FORECASTING & ACCOUNTABILITY

*Commission on Government
Forecasting and Accountability*

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Illinois Health Insurance Mandates Report
House Resolution(s) 332 and 406
February 6, 2012

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INTRODUCTION

On May 19, 2011, the Illinois House of Representatives adopted **House Resolution 332**, which tasks the Commission on Government Forecasting and Accountability (COGFA) with the analysis of the costs of healthcare mandates that are currently part of the Illinois Insurance Code. Subsequently, the Illinois House also passed **House Resolution 406**, which requests the Commission to analyze the impact of health insurance mandates in terms of their intended purposes and health outcomes. This report provides an analysis of the costs of current Illinois healthcare mandates in the Illinois Insurance Code, including a breakdown of the mandates in terms of their purpose and outcomes.

A health insurance mandate is a legal requirement placed on an insurance company or other health plan provider to provide (or offer) coverage for certain health care providers, benefits and populations related to the patient in a certain manner. Specifically, health care providers can include various specialists and practitioners within their medical fields. Benefits, in this scenario, may include such things as mammograms, substance abuse treatments, among other options. In the case of populations, this would include adopted children and other individuals in special relational circumstances to the individual under coverage. (CAHI 2010 pg. 9)

The subject of the cost of health insurance mandates has been discussed and analyzed by other states and the National Conference of State Legislatures. Specifically, for the purposes of this report, a study from the state of Louisiana will be examined before analyzing the components of Illinois health insurance mandate costs. In the case of that state, the costs of health insurance mandates has been analyzed, which make it very useful for comparison.

The subject of health insurance mandate costs has been discussed on both the state and national levels, but there is limited information as to the specific costs of mandates as a whole and individually. For the purposes of this report, the Commission drew upon the resources of the Council on Affordable Health Insurance as well as the Illinois Department of Central Management Services, the Department of Human Services, the Department of Insurance, and various insurance companies and business organizations.

COGFA has also received additional information from the insurance company Health Alliance, which will be discussed in this report. They have submitted information independently of the Illinois Department of Insurance for analysis and inclusion in this report. In addition to the submission by Health Alliance, HealthLink and Medco (two providers for State of Illinois insurance plans) have both submitted information that will be discussed later in the report. The Department of Insurance has provided a public summary of health insurance mandates as determined by their staff as of March 2010. At the time of drafting of this report, despite our requests, no additional information has been received from any state department, other insurance company, or civic/business organization that can be used for this report.

According to the Council for Affordable Health Insurance (CAHI) “Health Insurance Mandates in the States 2010” report, Illinois has 46 different health insurance mandates. The

Department of Insurance, however, lists 49 mandates in their report (most recently revised in March 2010). This figure includes 37 mandated insurance benefits, 10 mandated insurance coverages (for spouses, etc.), and 2 mandated insurance offers of optional coverage for certain illnesses and disorders. For the purposes of this report, the Department of Insurance figure of 49 mandates will be used, through the CAHI figure of 46 mandates will be noted when referencing their data. The CAHI 2010 report is included in Addendum 1 of this report while the Department of Insurance report is included in Addendum 2. These Addendums are available on the Commission website listed at the end of this report.

Louisiana Study

As a result of a resolution in the Louisiana legislature 2008 session, the Louisiana Department of Insurance (the Department) was tasked with analyzing the costs of health insurance mandates and their effectiveness. Taking a three year period for analysis, the Department surveyed various HMOs and health indemnity companies who had large health insurance premium revenues in Louisiana over three topics: the procedural cost of health insurance mandates, the number of members serviced under the specific mandate, and the cost of treating the diseases which some mandates attempted to diagnose early (Louisiana, pg. 3). In addition, the Department compared their costs to reported costs in other states. For this study, Louisiana analyzed results based on their 17 mandated benefits, which was lower than the other states compared.

From their study, they found that the costs of mandates significantly varied by state. In Texas, for example, a total cost of 4.40 percent over 20 mandates was reported, while in Maryland, the costs were 15.4 percent and 18.6 percent for group and individual plans respectively over 42 mandates. In Maine, costs were reported to be 8.30 percent for non-HMO plans and 8.03 percent for HMO plans of groups larger than 20. On an individual basis, non-HMO plans had a cost of 3.66 percent while HMO contracts had a cost of 2.95 percent. In all these cases in Maine, the costs for health insurance premiums were based on 26 mandates (Louisiana, pg. 4).

The Louisiana study found that in Louisiana, the aggregate cost of health insurance mandates was 6 percent of the premium price, compared to a previous study in 2003 that showed a mandate cost of 4.88 percent. The study also notes that when a separate mandate that was not in effect in 2003 and a federal mandate covering breast reconstruction were removed, the mandate costs dropped to 2.79 percent in 2003 and 4.20 percent in 2008 (Louisiana, pg. 4).

An important point is made in the Louisiana study regarding mandate cost in regards to early detection and treatment of various diseases. The study found that the total mandated cancer diagnoses cost was approximately \$84 million, which represented 1.2 percent of total premium revenue. The total cost of treating the cancers found was \$323 million, which represents approximately 4.6 percent of the premium. Given the nature of the study, it is impossible to determine the savings resulting from early disease diagnosis since treatment is inevitable. A

proper analysis would require medical trials to determine cost savings, which was outside the purview of the Louisiana Department of Insurance (Louisiana, pg. 5).

CAHI Report

The Council on Affordable Health Insurance has tracked health insurance legislation and regulations since 1992. They publish an annual report, “Health Insurance Mandates in the States,” which describes the variety and components of health insurance mandates across the United States. According to the 2010 report, the total mandate count across all states is 2,156, which is slightly higher than the 2,133 reported in 2009. By their calculations, Illinois had 46 different health insurance mandates at the time the report was compiled (CAHI pg. 5). This number is slightly higher than the average number of mandates per state, 42. In comparison to surrounding states, Illinois has more than any other state.

Figure 1

| State | Number of Mandates |
|-----------------|---------------------------|
| Illinois | 46 Mandates |
| Kentucky | 45 Mandates |
| Missouri | 42 Mandates |
| Wisconsin | 35 Mandates |
| Indiana | 35 Mandates |
| Iowa | 27 Mandates |

The total cost of these mandates is difficult to determine for Illinois, as the estimated costs of mandates on health insurance premiums in Illinois are quite small on a mandate to mandate basis according to the report (CAHI pg. 6-8). Of the premiums listed, 33 are applicable to Illinois with an estimated cost increase to premiums of less than one percent each. 11 other premiums applicable to Illinois have an estimated cost impact of between one and three percent of total insurance premium cost. One premium applicable to Illinois has an estimated effect of between three and five percent of premium cost and one additional premium has an estimated effect of between five and ten percent of total premium cost. In total, adding the impact of all premiums with cost estimates of one percent or more brings the total mandate impact on premium costs to a minimum of 14 percent (not including the 33 mandates estimated to contribute less than one percent to total premium cost), according to the CAHI Report. It is important to consider that the CAHI Report notes that different states have different qualifications and components for mandating coverage in the areas monitored by CAHI. Therefore, a mandate for coverage for a Psychologist in Illinois may be significantly different than the same mandate in Iowa. However, by the rubric used by CAHI, both mandates are classified under the same category. If the 33 mandates estimated to contribute less than one percent are added to the total mandates cost, the number (14 percent) rises. CAHI has not provided the exact cost for those mandates, but a conservative estimate of 0.1 percent per mandate results in a total impact of 3.3 percent from those mandates, bringing to the total impact of mandates on health insurance premiums to 17.3 percent. If a less conservative estimate is taken of all the mandates cited by CAHI, the total impact to health insurance premiums rises proportionally. Taking all the mandates affecting Illinois health insurance

premiums at an average estimated impact (taking 2 percent as the impact from an estimated 1 to 3 percent effect and .5 percent from all mandates listed at less than 1 percent), the total mandate cost jumps to as much as 50 percent.

Given the estimates from the National Conference of State Legislatures of approximately \$5,015 for Illinois private sector employees (employee and employer share for individual under single coverage), \$852/year of premium costs are attributable to health insurance mandates if the figure of 17.3 percent is accurate (NCSL 1). This data is represented across surrounding states in the following figure.

Figure 2

| State | Average Premium (Single) |
|-----------------|---------------------------------|
| Illinois | \$5,015 |
| Wisconsin | \$4,935 |
| Missouri | \$4,694 |
| Kentucky | \$4,683 |
| Iowa | \$4,502 |
| Indiana | \$4,440 |

In the cases of individuals with employee plus one or family coverage, the premiums are significantly higher. As such, the costs of health benefit mandates are proportionally higher, as noted in the following figures from data collected by the NCSL.

Figure 3

| State | Average Premium (Employee + 1) |
|-----------------|---------------------------------------|
| Wisconsin | \$10,521 |
| Illinois | \$9,886 |
| <i>Average</i> | <i>\$9,373</i> |
| Kentucky | \$9,079 |
| Indiana | \$9,027 |
| Missouri | \$8,942 |
| Iowa | \$8,781 |

Figure 4

| State | Average Premium (Employee and Family) |
|-----------------|--|
| Wisconsin | \$14,194 |
| Illinois | \$13,884 |
| Missouri | \$13,740 |
| Kentucky | \$13,352 |
| <i>Average</i> | <i>\$13,298</i> |
| Indiana | \$13,240 |
| Iowa | \$11,379 |

In Figures 3 and 4, Illinois premiums for employee + 1 and employee + family plans are higher than any other surrounding states except for the state of Wisconsin. It is also curious to note at this point that the overall number of health benefit mandates in the state of Wisconsin is 35, 11 less than in Illinois. However, Illinois premiums are still higher than the average for surrounding states. If the estimate of 17.3 percent of premium in Illinois is due to health benefit mandates, then the total mandate costs based on Figures 3 (Employee + 1 plans) and 4 (Employee + Family) would be \$1,710.28 and \$2,401.93 on a yearly basis respectively. The Commission does not have data regarding the total mandate costs for surrounding states; hence the figure of 17.3 percent is only applicable to Illinois. Different states, each having a distinct number and setup of health insurance benefit mandates; have varying cost structures for overall fiscal impact from mandates.

It is necessary to note that sources of information for this report have differed significantly in their estimation of the impact of benefit mandates and the overall impact on insurance premiums for Illinoisans. These differences of opinion will be discussed later in the report. In general, CAHI notes that its numbers and estimations are based on independent actuarial group opinions which are revisited annually to determine any change in premium impact from previous years (CAHI pg. 9). As actuarial opinions may differ broadly depending on a variety of factors, the information provided by CAHI should be taken seriously, but cautiously, in the framework of a broad pattern of data analysis. The following page contains a brief summary of current health insurance mandates in Illinois and their individual expected premium impact according to CAHI.

Figure 5

Summary of Health Insurance Mandate Costs

| Percentage of Premium | Number of Mandates In Illinois | Mandate Descriptions |
|-----------------------|--------------------------------|--|
| Less than one percent | 33 | Benefits: AIDS/HIV Testing and Vaccine, Bone Mass Measurement, Breast Reconstruction, Cancer Pain Medication Therapies, HPV Screening, Colorectal Cancer Screening, Dental Anesthesia, Diabetic Self-Management, Diabetic Supplies, Emergency Room Service, Habilitative Service for Congenital or Genetic Defect, HPV Vaccine, Mammography Screening, Mastectomy, Mastectomy Minimum Hospital Stay, Maternity Minimum Hospital Stay, Off-Label Drug Use, Orthotics/Prosthetics, Other Infertility Service, Ovarian Cancer Screening, Prescription Inhalent, Prostate Cancer Screening, Second Surgical Opinion, Shingles Vaccine, TMJ Disorder; Providers: Chiropractor, Family Therapist, Podiatrist, Professional Counselor, Speech/Hearing Therapist; Covered Persons: Adopted Children, Continuation for Dependents, Continuation for Employees, Dependent Student/Adult |
| One to three percent | 11 | Benefits: Substance Abuse, Autism, Contraceptives, Mental Health (General), Morbid Obesity Treatment; Providers: Psychologist, Osteopath, Social Worker; Covered Persons: Non-Group Coverage Conversion, Disabled Dependent Adult, Newborn |
| Three to five percent | 1 | In-Vitro Fertilization |
| Five to ten percent | 1 | Mental Health Parity |

A number of conclusions can be made regarding the health insurance mandates listed by the CAHI in regards to Illinois priorities. Illinois is one of fewer than 10 states to mandate coverage for AIDS/HIV testing and vaccination efforts, Cancer Pain Medication therapy, Congenital or Genetic Defect Habilitative Service, Ovarian Cancer Screening and the Shingles Vaccine. In addition, Illinois is one of only 11 states that mandate coverage for the HPV vaccine. As such, Illinois is at the forefront in ensuring insurance coverage in a rapidly changing medical field. Many of the mandates that Illinois currently has are also mandated in surrounding states. 29 Illinois mandates are also mandated in at least 24 other states, and 16 mandates are also mandated in at least 39 other states. This indicates that Illinois is not necessarily an outlier in regards to the number of mandates currently on the books.

Health Alliance Reply for Information

In response to the Commission's inquiry of various departments of the State of Illinois and health insurance companies that market within the state, Health Alliance submitted a reply with useful information for the purposes of this report. As noted in their letter (Addendum 3), Health Alliance has in many cases provided coverage for benefits before being required to do so by state mandate. Given that consideration, they were able to provide an estimate for their total mandate costs. According to their letter, the current benefit mandates in the Illinois Insurance Code increase premiums for their company by 5.33 percent on an annual basis.

This figure of 5.33 percent, when allocated to the estimated annual Illinois private sector health insurance premium cost of \$5,105 (according to NCSL for individuals) equals \$267.30 in costs directly associated with Illinois health insurance mandates. At the time of drafting of this report, Health Alliance has not replied with any further information regarding the breakdown in specific costs attributable to individual mandates. In regards to Employee + 1 and Employee + Family plans, the figure of 5.33% equals \$526.92 and \$740.02 respectively in annual premium costs directly associated with Illinois health insurance mandates.

HealthLink Reply for Information

HealthLink is an insurance company that has offered health benefit plans to State of Illinois employees for many years. In response to the Commission's inquiry, HealthLink provided a chart (Addendum 5) listing their paid amounts for insurance benefit mandates listed by the Department of Insurance. HealthLink is a self-funded company, so they do not have premium information in the manner supplied by Health Alliance. However, HealthLink's chart does provide some useful information.

Figure 6

| HealthLink Data | |
|--|------------------------|
| State of Illinois Mandate Spending | |
| Mandate | Paid Amount |
| Alcoholism | \$14,536.09 |
| Alcoholism and Substance Abuse | \$51,559.59 |
| Amino Acid-Based Elemental Formulas | \$17,317.95 |
| Autism Spectrum Disorders | \$183,239.73 |
| Breast Cancer Pain | \$9,449,268.63 |
| Breast Implant Removal | \$31,888.78 |
| Breast Ultrasound Screening | \$64,924.22 |
| Colorectal Cancer Screening | \$2,856,529.74 |
| Contraceptives | \$324,530.76 |
| Dental adjunctive services | -- |
| Diabetes Self-Management | \$3,851,379.02 |
| HPV Vaccine | \$136,955.64 |
| Habilitative services for children | -- |
| Infertility | \$255,116.04 |
| Mammograms | \$3,141,414.78 |
| Mastectomy-post mastectomy care | -- |
| Mastectomy - Reconstruction | \$539,623.66 |
| Maternity | \$3,513,886.84 |
| Maternity-complications of pregnancy | \$2,531,213.43 |
| Maternity-post parturition care | \$1,442,217.83 |
| Maternity-prenatal HIV testing | \$6,419.06 |
| Mental Health-HMOs | \$477,067.54 |
| Mental Health-serious mental illness | \$2,575,438.00 |
| Multiple sclerosis-preventative physical therapy | \$98,951.01 |
| Organ transplants | -- |
| Organ transplants-immunosuppressive drugs | -- |
| Osteoporosis | \$92,027.52 |
| Ovarian cancer screening | \$66,509.23 |
| PAP smears | \$812,860.10 |
| Prescription inhalants | -- |
| Preventive health services | -- |
| Prostate specific antigen | \$200,702.72 |
| Prosthetic and orthotic devices | \$927,995.39 |
| Shingles vaccine | \$12,533.37 |
| Under the influence | -- |
| Total | \$33,676,106.67 |

In the preceding chart, certain mandates do not have sufficient information to be fully determined by HealthLink, hence their exclusion from the final spending total. The remaining data is still useful, however, in terms of an example of the real-world costs of Illinois health benefits mandates. It is likely that larger insurance companies operating in Illinois would face similar or higher costs (depending on the numbers of Illinois residents they serve) for providing benefits that meet mandated requirements.

Medco Reply for Information

Medco is a pharmacy benefit company that provides services for State of Illinois employees and their dependents. In response to the Commission’s request for information, Medco supplied a chart (Addendum 6) listing their paid amounts in regards to applicable Illinois state benefit mandates. Their benefits do not cover many mandate areas, but they do provide useful information for the purposes of this report.

Figure 7

| State of Illinois Mandate Spending 7/10 – 6/11 | Pharmacy Benefit Impact | Annual Spend - Total (Plan Cost) | QCHP | LGHP | CIPX | TRIP | WCMP |
|--|---|----------------------------------|---------------------|------------------|--------------------|---------------------|------------------|
| Alcoholism and Substance Abuse | Ch 3.3.4 + Antabuse and Campral | \$215,385 | \$166,097 | \$491 | \$775 | \$46,811 | \$1,211 |
| Cancer Treatment – Prescription Drugs | Ch 2.1 minus Ch 2.1.5 | \$19,238,948 | \$11,782,287 | \$165,120 | \$954,066 | \$6,330,300 | \$7,175 |
| Colorectal Cancer Screening | Ch 8.3.5 | \$145,689 | \$67,637 | \$1,059 | \$3,757 | \$73,236 | \$0 |
| Contraceptives | Ch 11.1 | \$616,766 | \$562,671 | \$27,474 | \$1,678 | \$24,943 | \$0 |
| Diabetes Self-Management | Ch 7.5.4+7.5.5 | \$3,065,281 | \$1,981,946 | \$38,391 | \$59,225 | \$985,719 | \$0 |
| HPV Vaccine | Gardasil | \$2,118 | \$1,893 | \$0 | \$0 | \$225 | \$0 |
| Infertility | Ch 7.4.2 | \$865,771 | \$858,523 | \$7,248 | \$0 | \$0 | \$0 |
| Maternity | Ch 15.1 (female only) | \$256,822 | \$105,929 | \$4,555 | \$3,376 | \$142,209 | \$753 |
| Mental Health – “Serious Mental Illness” | Ch 3.9 | \$33,098,230 | \$24,155,865 | \$395,103 | \$788,480 | \$7,657,361 | \$101,421 |
| Organ Transplants – Immunosuppressive Drugs | Ch 2.1.5 | \$2,509,732 | \$1,749,142 | \$38,568 | \$76,089 | \$628,931 | \$17,002 |
| Osteoporosis | Ch 10.4 | \$8,505,326 | \$4,284,788 | \$30,264 | \$287,707 | \$3,902,567 | \$0 |
| Prescription Inhalants | Ch 13.3.3 + Ch 13.3.4 + Advair + Dulera | \$10,901,430 | \$7,510,268 | \$90,244 | \$323,531 | \$2,974,774 | \$2,613 |
| Shingles Vaccine | Zostavax | \$303,162 | \$135,392 | \$710 | \$10,799 | \$156,261 | \$0 |
| TOTAL | | \$79,724,660 | \$53,362,438 | \$799,227 | \$2,509,483 | \$22,923,337 | \$130,175 |

Again, similar to the HealthLink data, Medco does not have premium rates to compare percentage impact of mandates. However, this data is useful for considering the financial impact of health benefit mandates in a real-world context. Given the costs shown by HealthLink in conjunction to this data, Illinois health benefit mandates have a significant financial cost to individuals.

Comparisons and Conclusions

Given the disparity in health insurance premium impact data that the Commission has received, it is difficult to state with certainty the specific amount of impact that health insurance mandates have on overall health insurance premiums, either individually or as an aggregate. However, some points can be made from the gathered information. According to the most local organization that provided information for this report, by their measurements, the premium cost of health insurance mandates is 5.33 percent. This figure is similar to percentages reported by other states, including Texas, Maine, and Louisiana (Louisiana).

The previous point should be taken in context with the information provided by the Council on Affordable Health Insurance. The figures provided by CAHI paint a significantly different picture of the overall and individual costs of health insurance mandates. According to their data, mental health parity mandates account for five to ten percent of the estimated cost increase to health insurance premiums alone (CAHI). Furthermore, given the limited data provided to the Commission from other groups, a specific mandate cost structure cannot be confidently determined. The following figure displays the health insurance mandate impact range from all the sources we were able to find for this report. The impact is the amount of current premiums that would be attributable to health insurance mandates.

Figure 8

| Illinois Health Insurance Mandate Impact Range | | | | |
|---|-------------------|-----------------------------------|------------------------|----------------------|
| Category | Total Cost (NCSL) | Impact at 5.33% (Health Alliance) | Impact at 17.3% (CAHI) | Impact at 50% (CAHI) |
| Employee | \$5,015 | \$267.30 | \$867.60 | \$2,507.50 |
| Employee + 1 | \$9,886 | \$526.92 | \$1,710.28 | \$4,943.00 |
| Employee + Family | \$13,884 | \$740.02 | \$2,401.93 | \$6,942.00 |

Given these considerations, the Commission finds that based on the available data, the total cost of health insurance mandates is likely to fall close to the figure of 5.33 percent provided by Health Alliance, but may, in fact, be closer to other state percentages described in the Louisiana report. Given the similarity of the estimated health insurance mandate ranges in other state, it is possible that the total impact could be close to the conservative figure of 17.3 percent (based on the data provided by CAHI), but it is unlikely that the total impact of mandates in Illinois is as high as 50 percent. As Health Alliance is only one health insurance company in Illinois, it is necessary to understand that their figure does not take into account all health insurance purchased by Illinois consumers. It is also important to note that more specific data and analysis may be produced by a study on the part of the Department of

Insurance or other organizations with health insurance and actuarial experience utilized by the state of Illinois.

It should be noted that the aforementioned costs do have an effect on the quality of life and treatment options available for individuals. The Commission has analyzed the data in regards to the stated objective of study in House Resolution 406, but does not have sufficient data to state the specific impact of individual mandates in terms of intended purpose and health outcomes. It is likely that mandates which cover preventative screening and other measures will save money for consumers and health care professionals over potentially expensive emergency treatment or surgery. However, the Commission does not have the resources to accurately determine these savings. The Louisiana study referenced in this report suggested the possibility of medical trials and other research to more accurately determine the impact of mandates within the context of overall health outcomes. The Commission does not have the resources to conduct this research, but it may be possible that a study conducted by the Department of Insurance or other organizations with health insurance and experience may be able to determine the information requested in House Resolution 406.

The Commission thanks the national Council on Affordable Health Insurance for their work in drawing together information and sharing it with the Commission regarding health insurance mandates across the United States.

References

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STATE OF ILLINOIS
HOUSE OF REPRESENTATIVES
97TH GENERAL ASSEMBLY

HOUSE RESOLUTION NO. 332
OFFERED BY REPRESENTATIVE FRANK J. MAUTINO

WHEREAS, Rising healthcare costs continue to be the number one concern for small and medium-sized businesses in Illinois; and

WHEREAS, According to the Council for Affordable Health Insurance (CAHI), healthcare mandates cumulatively can raise the cost of basic health coverage by 20% to 50%; and

WHEREAS, According to CAHI, Illinois currently has 47 different insurance mandates in law today; and

WHEREAS, Healthcare mandates are paid for by only small and medium-sized businesses that buy health insurance on the open market; and

WHEREAS, Illinois policy makers need a better understanding of the costs these mandates add to health insurance in order to strike a balance between managing healthcare costs and providing access to quality health insurance; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we request the Commission on Government Forecasting and Accountability to study the cost of each healthcare mandate that is a part of the Illinois Insurance Code on the date this resolution is adopted, as well as the cumulative effect of those mandates on the overall cost of health insurance in Illinois for businesses; and be it further

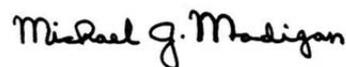
RESOLVED, That the findings of the Commission be reported to the General Assembly by February 6, 2012, to ensure that the members of the General Assembly are informed about the costs and overall impact these mandates have on the ability of small and medium-sized businesses to purchase health insurance; and be it further

RESOLVED, That a copy of this resolution be delivered to the Executive Director of the Commission on Government Forecasting and Accountability.

Adopted by the House of Representatives on May 19, 2011.


MARK MAHONEY
CLERK OF THE HOUSE




MICHAEL J. MADIGAN
SPEAKER OF THE HOUSE

STATE OF ILLINOIS
HOUSE OF REPRESENTATIVES
97TH GENERAL ASSEMBLY

HOUSE RESOLUTION NO. 406

OFFERED BY REPRESENTATIVES MARY E. FLOWERS-FRANK J. MAUTINO-MONIQUE D. DAVIS-LA SHAWN K. FORD-GREG HARRIS

WHEREAS, The Illinois House of Representatives adopted House Resolution 332 requesting the Commission on Government Forecasting and Accountability to study the cost of each healthcare mandate that is a part of the Illinois Insurance Code and in effect on the date that the resolution was adopted, as well as the cumulative effect of those mandates on the overall cost of health insurance in Illinois for businesses; and

WHEREAS, House Resolution 332 further directed that the findings of the Commission be reported to the General Assembly by February 6, 2012, to ensure that the members of the General Assembly are informed about the costs and overall impact these mandates have on the ability of small and medium-sized businesses to purchase health insurance; and

WHEREAS, In addition to the cost impact of health insurance mandates on business, there is also a need to analyze the purpose of the mandates that have been enacted in terms of the health outcomes that were intended by providing such coverage; and

WHEREAS, The cost impact of health insurance mandates in terms of their effect on the health and well-being of individuals and groups who may be covered should always be taken into consideration, especially if such coverage prevents further health problems or improves the health condition of the covered person; and

WHEREAS, Improvement of the health of individuals and groups covered by the insurance mandates can have a positive impact on the health and well-being of the employees of any business, which may impact the productivity of the workforce and the economic health of the business; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we request that the Commission on Government Forecasting and Accountability include, in the study that it conducts under House Resolution 332, additional findings and recommendations regarding the cost impact of health insurance mandates in terms of the intended purpose and health outcomes of each mandate so that the financial impact on business is not the sole consideration and the members of the General Assembly are more fully informed about the costs and overall impact of those mandates; and be it further

RESOLVED, That the Commission incorporate these additional findings in its report under House Resolution 332; and be it further

RESOLVED, That a copy of this resolution be delivered to the Executive Director of the Commission on Government Forecasting and Accountability.

Adopted by the House of Representatives on May 31, 2011.

Mark Mahoney

MARK MAHONEY
CLERK OF THE HOUSE



Michael J. Madigan

MICHAEL J. MADIGAN
SPEAKER OF THE HOUSE

BACKGROUND

The Commission on Government Forecasting and Accountability (CGFA), a bipartisan, joint legislative commission, provides the General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State. The Commission's specific responsibilities include:

- 1) Preparation of annual revenue estimates with periodic updates;
- 2) Analysis of the fiscal impact of revenue bills;
- 3) Preparation of State debt impact notes on legislation which would appropriate bond funds or increase bond authorization;
- 4) Periodic assessment of capital facility plans;
- 5) Annual estimates of public pension funding requirements and preparation of pension impact notes;
- 6) Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;
- 7) Administration of the State Facility Closure Act.

The Commission also has a mandate to report to the General Assembly ". . . on economic trends in relation to long-range planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois. . . ." This results in several reports on various economic issues throughout the year.

The Commission publishes several reports each year. In addition to a "Monthly Briefing", the Commission publishes the "Revenue Estimate and Economic Outlook" which describes and projects economic conditions and their impact on State revenues. The "Legislative Capital Plan Analysis" examines the State's capital appropriations plan and debt position. "The Financial Conditions of the Illinois Public Retirement Systems" provides an overview of the funding condition of the State's retirement systems. Also published are an Annual Fiscal Year "Budget Summary"; "Report on the Liabilities of the State Employees' Group Insurance Program"; and "Report of the Cost and Savings of the State Employees' Early Retirement Incentive Program". The Commission also publishes each year special topic reports that have or could have an impact on the economic well-being of Illinois. All reports are available on the Commission's website.

These reports are available from:

Commission on Government Forecasting and Accountability
703 Stratton Office Building
Springfield, Illinois 62706
(217) 782-5320
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<http://www.ilga.gov/commission/cgfa2006/home.aspx>