

AHI Position:

AHI generally opposes mandates for health services beyond what is already required by federal law and the Essential Health Benefit Mandate (EHBs). Mandating health plans cover additional state-level benefits ultimately increases costs for consumers and employers and limits health plans' ability to design affordable plans that match the preferences of consumers.

What is the Essential Health Benefits Mandate?

A key provision of the Affordable Care Act (ACA) was the creation of a list of essential health benefits that insurance companies are required to cover in individual and small group plans. At the time, it was expected that this new federal law would decrease the number of state-by-state mandates requiring insurers to cover additional benefits and services.

What Commercial Health Insurance Covers

Under federal law, health plans* must cover all eligible enrollees **regardless of preexisting conditions** and must cover **medically necessary care**, including the **10 essential health benefits**.



Preventive services



Emergency services



Outpatient services



Hospitalization



Prescription drugs



Laboratory and imaging services



Maternity and newborn care



Mental health and substance use disorder



Rehabilitative and habilitative services



Pediatric services, including dental/vision

Health plans also must cover **state-mandated benefits**, such as chiropractic, some costs for participating in clinical trials, TMJ, and some investigational drugs not approved by FDA. Mandates increase premiums for consumers and small businesses while **exempting** state employee, union health and welfare, and self-insured plans.

What are the Existing State-level Health Benefit Mandates?

Beyond the list of Essential Health Benefits mandated by federal law, Wisconsin has an extensive list of state-level mandates, which include: autism, hearing aids and cochlear implants, contraceptives, diabetes, genetic testing, home health care, lead screening, oral and injected chemotherapy, skilled nursing care, TMJ disorders, child immunizations, kidney disease, drugs for the treatment of HIV, mammography, breast reconstruction, and coverage of certain health care costs in cancer clinical trials.

There are also state mandates requiring insurance coverage of certain types of healthcare professionals and their services, such as chiropractic care and services.

In the 2015-16 legislative session, the legislature approved 2015 Wisconsin Act 288, which updated requirements related to the submission of social and financial impact reports that are required when a bill contains a health insurance mandate. AHI supports the law to help ensure policy makers will see the full financial impact of a mandate before acting on an amendment or bill in committee or full floor action.

Impact of Mandated Benefits

Why AHI is Concerned with Mandating Benefits

Mandates increase the overall cost of insurance and can create confusion for the consumer. They often take a “**one-size-fits-all**” approach that doesn’t account for cost effectiveness or appropriateness of such services, or the variations in regional markets, availability of certain providers, and interest in those services from consumers.

Cost Increases: Insurance mandates rarely lead to lower costs or prices, and any increase in costs are ultimately paid for by consumers in the form of higher premiums and cost-sharing arrangements. It’s important to find the balance between adequate and affordable coverage. Mandating additional benefits restricts insurers’ ability to better manage affordability for consumers, and also limits their ability to design policies that match the preferences of their consumers.

Consumer Confusion: Employers often self-fund their employees’ health insurance plans and because of preemption under federal law (ERISA), these plans are not required to adhere to state-level mandates. Thus, many employees who are covered by these plans do not receive the mandated benefits leading to significant confusion for policy holders. It’s important to keep this in mind when considering state-level mandates, as self-funded plans cover roughly 65% of workers in Wisconsin. Additionally, state-level mandates don’t apply to Medicare, and often don’t apply to Medicaid unless specified.

Emerging treatments and services: Healthcare treatments, including diagnostic tools and medications are constantly evolving. Legislation requiring coverage of a specific treatment may become quickly outdated. It is clinically risky to mandate certain treatments that may not be the most evidence-based appropriate use of care.

AHI members cover provider services which are demonstrably cost effective and medically appropriate. If there is a business case to be made for such services to be covered, AHI members stand ready to review the evidence. While many health insurance mandates are well-intentioned, **we ask that you consider the overall impact these could have on healthcare costs and consumer choice.**

AHI MEMBERS

The Alliance of Health Insurers (AHI) is a nonprofit state trade advocacy organization working to improve the health and well-being of individuals, families, and communities in Wisconsin by fostering innovation, eliminating waste, and protecting health care consumers.

AHI is made up of eight member health insurers including companies with large national footprints as well as members that operate mostly or only in Wisconsin.

