State Senate Should Reject Health Insurance Mandate, Says Michigan Chamber of Commerce

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The Michigan Chamber of Commerce today is urging State Senators to reject legislation (Senate Bills 229-230) that would increase the cost of health insurance by mandating that employers provide the same level of coverage for mental health benefits as they do for other health benefits.

"For the Michigan Chamber, this is a debate over principle and price," said Wendy Block, Director of Health Policy & Human Resources for the Michigan Chamber of Commerce. "We strongly oppose any expansion of government mandates on the benefits our members voluntarily provide to their workers and families." Block estimates that Senate Bills 229 and 230 will increase the cost of health insurance premiums by one to four percent, which will be added on top of near double digit medical inflationary increases.

"Based on an average premium of $4,024 for individual coverage and $10,880 for family coverage, a mental health mandate would increase the cost of providing health insurance anywhere from $40.24 to $160.96 for individual coverage and $108.80 to $435.20 for family coverage," Block noted. "Adding another nine percent for medical inflation, these costs rise even further -- to $402.40 to $523.12 for individual coverage and $1,088 to $1,414.40 for family coverage.

"Unfortunately, these costs will ultimately be passed along to employees in the form of higher co-pays and deductibles, even if they never use the services," Block continued. "Worse yet, some employees may lose their coverage altogether as a result."

"Many job providers recognize the value of offering their employees health insurance benefits and some employers voluntarily offer their employees mental health coverage," said Rich Studley, Executive Vice President of the Michigan Chamber. "However, these decisions should be made in the workplace by employees and employers, instead of the political process.

"Not all job providers can afford to do so and need to maintain the flexibility to design their benefit programs to meet the needs of their particular workforce and budget," Studley added.

"The Michigan Chamber strongly opposes these job-killing bills and will fight to prevent passage of any legislation that would increase the already high cost of employer-provided health insurance in our state," Studley concluded.

The Michigan Chamber of Commerce is a statewide business organization which represents more than 6,900 employers, trade associations and local chambers of commerce. The Michigan Chamber was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process.

SOURCE: Michigan Chamber of Commerce

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