

FOR IMMEDIATE RELEASE:

Contact:

October 7, 2011

Joe Brenckle 202-224-2465

Senator Enzi: Essential Health Benefit Mandates Will Continue to Push Premiums Higher

WASHINGTON, D.C. - Senator Mike Enzi (R-Wyo.), Ranking Member on the Senate Health, Education, Labor and Pensions (HELP) Committee, today said new Essential Health Benefit mandates will continue to push health care premiums higher. The Institute of Medicine released a report today laying out a process for Secretary Sebelius to follow when determining mandated benefits. Senator Enzi noted that a report by the Kaiser Foundation released last week shows premiums going up by 9 percent this year, which is an increase of three times higher than last year.

"Small businesses can't sustain these increases, especially when combined with the increases that will inevitably result from the more expensive essential health benefits packages mandated by the new law," said Senator Enzi. "Employers need flexibility when determining what type of health insurance to provide their employees, so they can afford to continue offering coverage. Too many small businesses are already running the numbers and deciding they can't afford to make payroll and pay for health care. The number of small businesses offering coverage decreased 11 percent this year, and rigid benefit packages will make this even worse."

Senator Enzi said he believes Americans should have the option to pick lower cost plans with less benefits if that is what they think is best for them and if that is what they can afford. Enzi said that in Massachusetts and with the Medicare Part D drug benefit, an overwhelming number of enrollees choose the lower cost plans, even if that meant the benefit packages were not as generous.

"It is simple math that as more mandated benefits are included, the higher the costs will be," Senator Enzi said. "As more regulations are published and more requirements are enacted, premiums will continue to increase which will likely lead to more small employers dropping coverage. As more employers decide to drop coverage, the cost to the federal government will increase since more Americans will be eligible for the subsidy. It is time Congress worked to make health care more affordable, instead of driving working families deeper into debt as they struggle to keep up with rising premiums."

###