

An Individual Health Insurance Mandate: Could it Work for Connecticut?

There is a growing consensus that our health care system is broken. Costs are skyrocketing; government, employers and consumers are struggling to keep up. State and national leaders are considering policy proposals to fix our health care system. One option being considered is an individual mandate, a requirement that every resident get health coverage. If it is not available through employment or a public program, consumers would be required to buy it privately.

Research suggests that an individual mandate would not work in Connecticut.

- Mandates are no guarantee of compliance. Connecticut law requires drivers to have auto insurance, but 12% are uninsured.
- A mandate would not make much difference in rising health costs. Uncompensated care, services delivered but not reimbursed, are only 2% of US health care spending.
- Very few people are uninsured by choice; most cannot afford coverage. Only 1.5% of uninsured Americans go without because they don't believe they need it.
- Insurance in Connecticut is not affordable. Family health insurance premiums in Connecticut are the third highest in the nation. Between 2000 and 2007 Connecticut health insurance premiums rose 8.2 times faster than our incomes.
- There are not enough consumer protections in place to ensure that consumers are getting what they pay for. In 2006 without public notice, Connecticut's Insurance Dept. approved limited benefit policies that cover as little as \$1,000 of health care treatments per year.
- Health insurance is no guarantee of access to care. Connecticut, like the rest of the country, is facing a primary care shortage. Consumers in Massachusetts, the only state to implement such a mandate, now wait 50 days for health care appointments on average and, in some cases, up to a year.

- Connecticut can't afford an individual mandate. Massachusetts created a new agency to administer their reforms and engaged thirty lawyers just to hear consumer appeals to the individual mandate.
- Enforcement of an individual mandate would be problematic, raising difficult and conflicting interests among policymakers.
- A mandate is not the best way to improve Connecticut's health. Each year 22,000 Americans die due to uninsurance, but 44,000 to 98,000 die of medical errors just in hospitals.
- A mandate would invite legal challenges.

Other states have considered mandates, including Maine and Vermont. California's reform proposal earlier this year failed in large part because of the individual mandate. In explaining his vote against the bill, a California Senator said **"I just came to the conclusion that the working people are going to end up paying for it. There's control for everybody else - the employers are protected and the insurance industry. The only group that's vulnerable is the working people."**

It is too early to tell whether Massachusetts' individual mandate is working. In its first year (2007) the rate of uninsurance was cut in half. However, the state passed significant expansions of public programs and large premium subsidies for lower income residents not eligible for state coverage. Massachusetts has access to an additional \$4.3 billion in federal funds to support their programs through a pre-existing, recently renewed Medicaid waiver. Despite this effort, 62,000 state residents had incomes too low to be subject to the waiver but too high for subsidies, and remain uninsured. An additional 86,000 uninsured residents chose to pay last year's modest \$219 penalty rather than buy coverage. This April the penalty rises to \$912 per resident.

An individual mandate does nothing to address the flaws in our broken health care system - incentives to order more treatments and no incentives for quality, little emphasis on prevention or management of chronic illness, fragmented payment systems promoting cost shifting. The difficulties and costs of implementing an individual mandate will only delay and distract resources from fixing the real problems with our health care system. Fixing those problems have to be our first priority, so we can create a system that provides every Connecticut resident with affordable quality care that is worth what we pay for.

Bottom Line:

Connecticut cannot afford an individual mandate which would likely not work and would do nothing to fix our broken health care system.

Source:

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