



OPPOSE HEALTH INSURANCE MANDATES & PRICE CONTROLS (HOUSE BILL 4071)

The above organizations urge you to **oppose** HB 4071, legislation to mandate cost parity and copay caps. However well-intentioned, this legislation amounts to government price controls and unwarranted governmental interference in private contracts and disproportionately impacts small businesses.

- **Cost shift.** HB 4071 seeks to set an arbitrary limit on out-of-pocket costs to patients by capping copays and coinsurance and requiring “cost parity.” However, *if you do nothing to change the underlying price of prescription drugs, you’re simply shifting the costs around.* In this case, the costs get shifted to insurers and to health care purchasers and ultimately to employees and individuals by way of increased premiums and cost-sharing arrangements outside the scope of the bill.
- **Bills don’t impact the majority of Michiganders.** Given that federal law governs large, self-insured groups (ERISA), Medicare and Medicaid beneficiaries, and VA benefits, most Michiganders will not see their out-of-pocket limits capped.
- **Small businesses bear the burden.** Most small businesses offering health insurance do so through state-regulated insurance policies, meaning small businesses would be asked to carry higher costs than their larger counterparts, leaving them less competitive. Health insurance is expensive enough and opening the door to additional mandates will make it even more difficult for small businesses to compete, offer coverage and/or keep cost-sharing arrangements affordable for employees.
- **Opens a Pandora’s box.** Approving a cost mandate for oral chemo drugs opens the door for a wave of new insurance mandates for other specific diagnoses (e.g., multiple sclerosis, diabetes, rheumatoid arthritis, Alzheimer’s disease, etc.). If you approve this mandate, you will be sending a clear message that Michigan is willing to pick winners and losers in health care access and affordability.
- **Out-of-pocket costs are already limited under the requirements of the Affordable Care Act.** Federal law limits the total amount that a person can pay for covered services in a given year. Many individuals qualify for further reductions in out-of-pocket costs based on income. Others yet may be eligible for prescription assistance programs to help meet their out-of-pocket needs.
- **Access to oral chemo drugs isn’t a problem in Michigan.** Unlike other states, all health plans across the state of Michigan already cover all chemotherapy treatments (drugs and intravenous) under Michigan law (MCLs 500.3406e, 550.1416a). HB 4071 would take these laws one step further by restricting how health plans can administer benefits for chemotherapy treatments.

Piling on more government-imposed health insurance mandates is the wrong answer at the wrong time and, in this case, could ultimately increase costs for many patients. We urge you to **OPPOSE** HB 4071. **Please note: Some of our organizations may include these bills as a recorded vote in their voting records.**