



OPPOSE HEALTH INSURANCE MANDATES & PRICE CONTROLS
(HOUSE BILLS 4354 & 4346)

Michigan job providers urge you to **vote NO** on legislation to mandate cost parity and copay caps for certain treatments. However well-intentioned, House Bills 4354 and 4346 amount to government price controls and unwarranted governmental interference in private contracts.

- **Cost Shift.** The bills seek to set an arbitrary limit on out-of-pocket costs to patients by “capping the copay” and requiring “cost parity.” However, *if you do nothing to change the underlying price of prescription drugs and/or control the amount manufacturers can charge*, you’re simply shifting the costs around. In the case of these bills, the costs get shifted to insurers and then to health care purchasers and ultimately to employees and individuals by way of increased premiums, co-pays and/or coinsurance.
- **Bills Don’t Impact the Majority of Michiganders.** Given that federal law governs large, self-insured groups (ERISA) as well as Medicare and Medicaid beneficiaries, most Michiganders will not see the out-of-pocket limits provided for under these bills.
- **Small Businesses Bear the Burden.** Most small businesses that offer 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 and/or offer coverage.
- **Opens a Pandora’s Box.** Approving a cost mandate for oral chemo drugs and/or a cap-the-copay for insulin 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 the Legislature approves this mandate it sends 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 insulin and oral chemo drugs isn’t a problem in Michigan.** Unlike in other states, all health plans in the state of Michigan already cover insulin and all chemotherapy treatments, both oral chemotherapy drugs and intravenous [IV] chemotherapy medications, under Michigan’s mandate laws (MCL 500.3406e, 550.1416a and 500.3406p). HBs 4354 and 4346 would take Michigan law one step further by imposing limits on how health plans administer benefits for chemotherapy treatments and set copay limits for insulin.

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. Please OPPOSE HBs 4354 and 4346.