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Statement by Lora Pellegrini, President and CEO of the Massachusetts Association of Health Plans, on Joint Committee on Financial Services Hearing on Mandates and Continuity of Care Legislation

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Mandates:

MAHP and our member health plans recognize the challenges that employers and consumers face with rising health care costs.

MAHP member plans offer some of the most comprehensive health care coverage options in the entire country. Despite that, Massachusetts has among the most legislative mandates of any state, requiring insurers to cover over 50 mandated benefits. Some of these mandates are not supported by medical evidence and could be dangerous for patients. They also add to costs and take away the flexibility of employers and individuals to purchase the health insurance coverage they need and want.

Proposed legislation that mandates health plan coverage of additional services and treatments may not be efficacious or safe and will significantly increase health care costs in Massachusetts for small employers and individuals purchasing insurance.

Existing state-mandated benefits account for more than \$2 billion dollars in state health care spending annually, accounting for almost 20% of the health insurance premiums paid by state residents and workers. According to estimates from the Center for Health Information and Analysis, some of the mandate bills will add between \$3 and \$5 million dollars a year to the cost of health care. Over five years, one additional mandate could add \$25 million to Massachusetts health insurance premiums. These costs fall on small business owners in our state that are not able to self-insure, since large companies typically “self-insure” and are not required to provide state mandated benefits. These costs also fall on individuals who purchase their own insurance.

Keeping health care affordable is the biggest challenge facing all stakeholders in the health care system. With employers and consumers struggling with the rising cost of health care, now is the time to consider policies that reduce the financial burden on consumers and employers.

Continuity of Care:

MAHP supports legislation that includes a transitional period to promote continuity of care and avoid interruptions in drug therapy when a patient is using a drug successfully and changes health plans. We look forward to working with the Legislature to ensure the bills being considered include a clear definition of step therapy protocols so that patients can continue to access their medication without interruption or delay in treatment.

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