

HEALTH CARE

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KEY FACTS

- Employee health insurance costs are a major expense for businesses. The average employer contribution toward an employee's family health insurance plan is over \$11,000 per employee per year in Oklahoma.
- One contributor to the increasing cost of health insurance is mandated health insurance benefits. Mandated benefits increase the cost of health insurance by up to 5% per mandated benefit.
- Uncompensated care also increases the cost of health insurance and threatens the stability of the health care industry in Oklahoma. Oklahoma hospitals alone provide more than \$560 million in uncompensated care per year.
- The state Medicaid program is a growing expense in the state budget, accounting for approximately 15% of the entire state budget in FY 2018.

BACKGROUND

Employee health insurance costs are a major expense for businesses. The average Oklahoma employer contribution toward a family health insurance plan is over \$11,000 per employee per year. This cost is on the rise, increasing approximately 15% per year in recent years.

There are many factors that can lead to higher health insurance premiums and therefore higher costs to businesses. One such factor is mandated benefits. Mandated benefits are health insurance benefits required by state or federal law to cover the treatment of a certain health conditions, certain types of

health care providers, or certain categories of dependents. Each mandated benefit can increase monthly premiums by up to 5%. Oklahoma state law mandates approximately 40 health insurance benefits on top of the numerous mandated benefits required under the Affordable Care Act.

Another contributor to higher health insurance costs for businesses is uncompensated care. Uncompensated care occurs when uninsured individuals require health care and are unable to pay the bill. This threatens the stability of a health care industry that must provide its services without compensation. Health care providers may be forced to charge higher prices for their services to help cover the losses, which in turn results in higher health insurance premiums for those that are insured.

Health insurance premiums are not the only place business owners are paying for health care. The state Medicaid program is a growing expense in the state budget, requiring more tax dollars each year to keep it afloat. Meanwhile, the Oklahoma Medicaid population is among the unhealthiest in the nation.

STATE CHAMBER POSITION

Access to affordable health care is integral in creating a business-friendly environment in Oklahoma. Policies that increase the cost of health care in Oklahoma discourage business investment in the state and harm Oklahoma's potential for long-term economic development. The State Chamber will maintain its opposition to both state and federal health insurance benefits that increase employers' health insurance costs. Further, the State Chamber will support efforts to develop a state-based plan to broaden health insurance coverage that reduces the burden of uncompensated care and stabilizes Oklahoma's health care industry. And finally, the State Chamber supports policies that drive accountability and stability in the state Medicaid program to ensure Oklahoma businesses' tax dollars are being spent wisely.