

TO: RI House Committee on Corporations
FROM: RI Center for Freedom & Prosperity, Mike Stenhouse
SUBJECT: Written Testimony re. S0831-A (Health Insurance Mandates)

June 24, 2017

Chairman Jacquard Committee Members: As CEO for the RI Center for Freedom & Prosperity, a non-partisan research and advocacy organization, and with a degree in Economics from Harvard University, I would like to provide some background re. **S0831-A**, which is before your committee today. As a 501-C-3 organization, our Center is not allowed to advise you to support or oppose any specific piece of legislation. However, we are allowed to discuss our research and perspectives with regard to the underlying premise of the issue.

Our Center believes that every Rhode Island family and citizen should have access to quality and affordable health insurance that best suits their individual needs. The best way to ensure that more Rhode Islanders have more and better healthcare choices is if more and better insurance policy options are available by more and more companies.

In response to this patient-centric approach, the shifting federal healthcare landscape is being crafted to empower states with added flexibility to provide more people with more options when it comes to making decisions about the highly personal and vitally important issue of health insurance.

S0831-A would tie the hands of Ocean State lawmakers and regulators by severely limiting their capacity to take advantage of these new opportunities that the federal government may soon provide to states. Instead of allowing insurance companies to offer a variety of health insurance plans at a variety of prices points, this bill will move Rhode Island further towards a one-size-fits all insurance offering.

More insurance options are needed, not less. In our widely diverse state, how can one standardized insurance product possible meet our population's many different and individual needs?

- Why should young people have to pay for services and costs associated with the more elderly?
- Why should healthy people assume insurance liabilities for those who are ill?
- Why should anyone be forced to pay for any coverage they will never conceivably utilize in their lifetime?

Cost-vs-Benefit Analysis? Has anyone calculated how the mandates proposed in this bill might affect insurance policy pricing? Or future purchasing and enrollment levels? Does anyone really think that a single government defined insurance option is really in the best medical and financial interest of each and every Rhode Islander?

This bill is premature and drastic. Until the proposed federal reforms become law and better understood, Rhode Island should not rush to pass legislation that we may regret, or have to repeal, in future years. This bill and its mandates for specific coverages, moves in a 180 degree opposite direction from where the rest of the nation will soon be headed.

Yet another competitive disadvantage. If other states are to allow a multitude of insurance options and pricing levels for its residents, Rhode Island would suffer competitively if only a standardized product is offered. Consumers will lose choice and fewer companies will want to compete in our state's insurance market.

Why rush? There is no reason this legislation cannot be considered in next year's legislative session. Instead of limiting Rhode Island's future options, our Center believes the more prudent approach would be to fully evaluate the pending new federal healthcare law, assess the options each state will be empowered to consider, and then make a thoughtful judgment as to what steps should be taken. This bill puts the cart before the horse.

In conclusion, the Center believes that the free-enterprise system and consumers should determine which health insurance products are in their own best interests, free from government mandates and price controls. This bill would increase the cost of health insurance for many, and would decrease options for patients.

It is vital that lawmakers NOT HASTILY ACT, before a thorough analysis of the new federal law has been made, so that Rhode Island's families and businesses can have increased freedom to choose their own health insurance plans.

Thank you. If I can be of service, please contact me at mstenhouse@RIFreedom.org or 401.429.6115.