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**NEW YORK HEALTH PLAN ASSOCIATION ON HEALTH CARE COSTS:
*Issue Brief Examines Cost Drivers Impacting Health Insurance Premiums***

The New York Health Plan Association (HPA) today issued *Health Insurance 101: Understanding Health Care Premiums*, a policy brief that examines the drivers of rising health care costs affecting health insurance premiums. The key factors examined include:

- Increases in **hospital prices**, with New York now having the nation’s seventh highest hospital prices and the third highest inpatient prices;
- High and ever escalating prices that pharmaceutical companies continue to charge for **prescription drugs**;
- The number of **mandated benefits**, with New York requiring every health insurance policy to include or “make available” coverage for more than 40 specific treatments or services; and
- **Taxes on health insurance**, which add over \$6.5 billion annually to the cost of health insurance, increasing the annual premium for the average family buying a policy in New York by more than \$1,000.

“Health insurance premiums reflect the high cost of health care in this state,” said Eric Linzer, President and CEO of HPA. “High hospital prices, increases in the rates that drug companies charge, and the cost of mandated benefits and taxes on insurance are the major factors driving premium increases. The proposed 2025 rates health plans recently submitted to the state are linked to the high cost of health care in New York and the final approved premiums should fully recognize the escalation in those costs.”

The issue brief is available on the HPA website at: <https://nyhpa.org/wp-content/uploads/2024/06/Health-Insurance-101-06-24-24.pdf>

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The New York Health Plan Association represents 26 managed care health plans that provide comprehensive health care services to more than 8 million New Yorkers.