



FOCUS ON

HEALTH CARE COSTS

Mandated Benefits Increase Health Insurance Costs and the Burden on New Yorkers

While the prices providers and drug companies charge are the major factors driving premium increases, laws mandating that state regulated health insurance policies include or “make available” coverage for specific treatments or services is another significant driver of health care costs. While the cost of some of these benefits in isolation may be relatively small, the collective impact of mandated benefits adds to the cost of coverage and falls disproportionately on small and medium-sized employers.

By the Numbers

- **40+** — New York mandates coverage for more than 40 specific treatments or services, many of which are for therapies or screenings that go beyond evidence-based guidelines recommended by major national health organizations, adding to premium costs.
- **33** — Since the start of the 2025-26 Legislative Session, New York lawmakers have introduced nearly three dozen bills – so far -- that would impose new or expanded benefit mandates, including coverage for services that plans already cover, such as asthma treatment, hearing aids and smoking cessation.
- **6** – These new proposals are in addition to the half a dozen mandate bills passed last year and signed into law, which are just now taking effect.
- **1** — New York has only examined one mandated benefit. The Chiropractic Care Act of 1997 required coverage of chiropractic care and directed the insurance department to study its impact on premiums, concluding that utilization increased and the mandate added 1.7% - 2.6% to premiums costs.

Mandate Transparency and Affordability

At least 29 states have a process to estimate the cost of health care mandates so that there is an understanding of their impact on premiums for businesses and families. New York should adopt such a process including:

- **Establishing a mandate moratorium:** Halt new health insurance mandates until there is a transparent process to evaluate their costs.
- **Examining existing mandates:** Require DFS to conduct a review of New York’s mandated benefits in effect as of December 31, 2024 and issue a report detailing both the individual and cumulative costs of the mandates on insurance premiums.
- **Requiring a fiscal impact statement:** Require DFS to conduct a cost analysis of legislation mandating new insurance benefits to examine the impact on insurance premiums prior to the adoption of such legislation.

The Bottom Line

Each new mandate comes with a cost that increases health insurance premiums and adds to the burden for employers and consumers. New York needs to hit pause on new mandates, develop a process for reviewing proposals, and focus on addressing rising health care costs.