



## Low Number of Mandates = A Healthy Iowa

By Laura P. Keith

Iowa is ranked seventh in the nation according to the 2003 edition of *America's Health: State Health Rankings* published by the United Health Foundation.

The following attributes helped to put Iowa in the top ten: “a low percentage of children in poverty, a low rate of uninsured population, a low number of limited activity days per month, high access to adequate prenatal care, a strong high school graduation rate, a low incidence of infectious disease, and a low premature death rate.”<sup>1</sup>

What isn't mentioned in the report is the low number of health care mandates in Iowa. The low percentage of uninsured people in Iowa, which includes people not covered by private or public insurance, is second only to one other state (Minnesota) and is a mere 1.5 percent behind. What is it about Iowa that makes health insurance more accessible and affordable?

Despite what you might think, it is not because our state government is committing millions of dollars to make sure every Iowan is insured. In fact, Iowa is ranked at number 45 for its *low* support of public health care. The allocation of money by state and local budgets to cover insurance is actually one of the lowest in the nation.

I suggest, outside of my biased view that Iowans are healthy because of our healthy farm living or clean country air, Iowa's low number of health mandates could be the reason for Iowa's high health ranking among the states. Mandates are regulations engineered by state or federal government requiring that certain treatments or drugs or procedures *must* be covered in every health insurance plan. In the government's effort to look out for its citizens, the costs of those regulations make health-care costs go up for everyone, from the insurer to the consumer, in the form of insurance premiums.

High premiums, writes John R. La Plante of Maine Public Policy Institute, are what cause small businesses to opt out of providing insurance for their employees.<sup>2</sup> Thus, access to health care for employers and employees of small businesses is cut, shrinking the number of citizens who are insured. High premiums, not low state funding, cause the rate of uninsured to rise.

States like New Jersey have tried to correct the problem of covering the uninsured by mandating “community rating” for individual insurance policies. In other words, the “carriers are forced to set their premiums sufficiently high to cover... ‘worst case’ customers, making their policies unaffordable to virtually anyone else.”<sup>3</sup> Opponents of this approach to fixing a health-care system make the case that “the combination of guaranteed issue and community rating has nearly destroyed the market for health

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insurance for individuals,” and that “the impact on rates and potential future ‘uninsured’ doesn’t seem to be given much weight.”<sup>4</sup> Joseph Bast of The Heartland Institute, in an introduction to a series on insurance markets, makes the case that “imposing community rating and guaranteed issue on the individual health insurance market causes premiums to rise, not fall and makes it more difficult, not easier, for the uninsured to find affordable coverage.”<sup>5</sup>

Iowa has only 20 health-care mandates. That low number, compared to other states like Maine that at last count had 36, must in part account for the low percentage of Iowans who are uninsured.<sup>6</sup> It is more affordable for small businesses to provide health insurance and for providers to give the business or individual more options. Choice means competition, and as insurance companies fight to get our business, plans will improve and costs will go down. In the end, Iowans get more “bang for their buck” when it comes to health insurance, and this creates benefits for every citizen. It is all connected — making sure our citizens are getting cared for increases the other factors that make Iowa a top-ten state to live in: It helps break the cycle of poverty for children, increases the high school graduation rate, provides excellent and accessible pre-natal care, and makes other health services available that prevent diseases and sustain a low premature-death rate.

Challenges still exist in finding ways to provide coverage for the 9.5 percent of Iowans who cannot afford health care and are not covered by government-based health-care programs. We should be encouraged by our state’s high overall ranking and strive to find more options for improving the state of Iowan’s health. Keeping the number of health-care mandates low is an excellent start.

After all, we could be in a situation like New Jersey where big government took things into its own hands, and the citizens of the Garden State are paying a heavy price.

#### ENDNOTES:

<sup>1</sup> “America’s Health: State Health Rankings,”

*United Health Foundation*, 2003, <<http://www.unitedhealthfoundation.org/shu2003>> (October 25, 2004).

<sup>2</sup> John R. La Plante, “Mandates Cause Uninsurance,” *Main Point*, Main Public Policy Institute, May 2003, <<http://www.maininstitute.com>> (October 25, 2004).

<sup>3</sup> Conrad F. Meier, “The New Jersey Car Wreck,” The Heartland Institute, February 1, 2004, <<http://www.heartland.org>> (November 1, 2004).

<sup>4</sup> Ibid.

<sup>5</sup> Joseph L. Bast, “Destroying Insurance Markets: Introduction to a Series,” The Heartland Institute, February 1, 2004, <<http://www.heartland.org>> (November 1, 2004).

<sup>6</sup> La Plante.

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