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## **Essay: The Blues**

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Michigan Attorney General Mike Cox was born the same year that a young fellow named Frank Kelley became the state's attorney general. Kelley, who is still alive, well, and lobbying in Lansing, proceeded to hold onto the job for thirty-seven years.

That's longer than anyone has been attorney general of any state in American history. When I was a young reporter, I asked the secret to his longevity. "Oh, that's simple," I was told. "Every few years the utilities discover they need a five percent rate hike.

"So they announce they are raising their rates twenty percent. Frank goes ballistic and makes a speech denouncing this outrageous gouging of the consumers." The utilities then scale back their request to ten percent. "You'll take five and not a penny more or I will sue you on behalf of the people of the state of Michigan," Frank would say.

The utilities would meekly surrender, having gotten what they wanted, and Frank Kelley would get 63 percent of the vote in his next election. So my first thought when I heard Mike Cox was going after the Blues was that he was taking a page from the old master's book.

And frankly, I am sure this attorney general doesn't mind a little favorable publicity; he's as ambitious as all get-out. But in this case he is also doing a legitimate public service on a number of levels.

My guess is that most people in Michigan don't know that Blue Cross and Blue Shield is supposed to be "a non-profit, tax-exempt, charitable and benevolent institution, incorporated by the Michigan Legislature in 1939, for the purpose of providing a mechanism for broad health care protection to the people of the state of Michigan."

Those aren't my words. They are those of the Michigan Supreme Court in a 1978 decision about health insurance.

Here's a few other things you may not have known. This charitable institution has a surplus of \$2.8 billion dollars and gave its CEO a compensation package of \$4.2 million last year.

In the last two years, Blue Cross and its affiliates have spent \$365 million dollars buying up other companies. Now, it wants to impose steep rate hikes on people who are forced to buy their own insurance, and also wants to be exempt from oversight by the Attorney General and the Office of Financial and Insurance Services.

I think the technical term for that is chutzpah. My guess is that the founders of Blue Cross, who saw it as an embryonic step towards universal health insurance, would be horrified. But the insurer may have inadvertently done us all a couple large favors.

First, they've helped make us aware of who they really are. Second, this ought to again focus attention on the national health care debate. Over the next seven years, the number of people who have to buy their own health insurance is projected to quadruple.

That has enormous implications for all of us, not just the blues.