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Thursday, March 20, 2008

**Letter**

# House bills would take controls off Blue Cross

House Bills 5282-5285, which are in a state Senate committee, are aimed at people who can least afford, financially and health-wise, to lose health insurance coverage or have to pay such high rates that they will have to sacrifice their way of life to pay the premiums.

If any of them have a pre-existing health condition, such as diabetes or cancer, at the time of their conversion from group to individual insurance, they will have to wait 12 months to get Blue Cross Blue Shield of Michigan insurance. Plus they will be charged 80-250 percent higher than the average premium. Blue Cross average rates went up 79-92 percent during 2003-2007 while its reserve (i.e. profit) increased \$1.3 billion. This shows even the current system is out of control and unacceptable.

The proposed legislation will take all controls off Blue Cross oversight and allow it to raise rates without prior approval, remove the attorney general's right to challenge rate increases, allow Blue Cross to charge premium rates to already financially challenged sick and elderly, allow Blue Cross to redline insurance rates for certain areas and allow it to increase their administrative costs from the present 10 percent to 30 percent. (As an example, Michigan Medicaid administrative costs are 2 percent).

This last point alone would allow Blue Cross to profit by more than \$1 billion a year if these bills are passed. All this from a company who's supposed to be nonprofit and benevolent, per its state charter.

Vote no on these bills.

*Mel Tockstein*

*Delegate, Region 1-C*

*Michigan Senior Advocates Council*

## Lansing

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