

Guest Commentary: Keep an eye on expensive Blue Cross proposal

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Mike Cox

Election season is almost over. You may be tempted to rejoice and start focusing on the holidays. But this year, what happens *after* the election may be just as important.

That's because the Michigan legislature is likely to return for a "lame duck" session, during which deals often are made with the hope that you are too busy to pay attention.

This year, Blue Cross Blue Shield's controversial legislative proposal is on the agenda. Their plan will cause dramatic cost increases for health insurance and will end the oversight that helps to protect your ability to afford health care.

No wonder they're waiting until after the election.

Taxpayers have extended special privileges to Blue Cross for years. Because of its mission as the "insurer of last resort," Blue Cross is exempt from paying state taxes--saving it at least \$75 million each year. That money, which we could use for schools or road repair, has instead helped Blue Cross increase its surplus to an eye-popping \$2.4 billion.

Did your rates go down as a result of this surplus? No, but salaries of top insurance executives at Blue Cross did go up an astounding 42 percent between 2004 and 2006.

Guess who is not doing as well as those executives? You.

Blue Cross' insurance rates for individuals have skyrocketed by 79 percent since 2003, and by 92 percent for individuals converting from group policies, making it harder to afford coverage. That's not good when one in four Michigan residents already is either uninsured or on Medicaid.

To make things worse, Blue Cross is proposing to change the law in ways that will raise rates and torpedo consumer protections provided by the Attorney General and the Governor. These changes, contained in House Bills 5282-5285, would:

- Deny coverage of pre-existing illnesses for 12 months, a doubling of denial time.
- Charge new customers with chronic diseases, such as diabetes, up to 80 percent more.
- Charge new customers with serious illnesses, such as cancer, up to 250 percent more.

- Enable Blue Cross to triple its margins for administrative expenses and profits.
- Eliminate oversight by the Attorney General and the state Office of Financial & Insurance Regulation.

Eliminating oversight would block the Attorney General's office from its traditional consumer protection role. For example, this proposal would have stopped my office from saving seniors about \$70 million per year by opposing a proposed 50 percent increase for Medigap insurance.

Don't just take it from me, either. AARP, the UAW and Consumers Union, publisher of *Consumer Reports* magazine, also have opposed these changes.

I oppose this proposal because it will make health care more expensive and remove oversight of Blue Cross rate setting. During a time when Michigan's overall health insurance premiums have gone up 17 times more than our median incomes, we cannot afford a plan that will make things even more expensive.

So, don't take your eye off Lansing during the holidays. Be sure to ask your legislators where they stand. Tell them that a special meeting during the holidays is a bad idea. Raising health care costs while eliminating insurance company oversight is even worse.

Blue Cross' mission is to create opportunity for "health care services at a fair and reasonable price."

Let's keep it that way.

E-mail a letter to the editor for publication online and in print: pulse@grpress.com

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