



5:52 pm, December 2, 2008

Coalition calls Blues bills 'anti-consumer'

By [Jay Greene](#)

Critics of individual health insurance legislation supported by **Blue Cross Blue Shield of Michigan** held a press conference Tuesday in Lansing to explain why they are opposed to the bills.

Sometime during the next two weeks, the lame-duck Michigan Legislature is expected to consider two substitute bills, House Bill 5282 and 5283, that could change the health insurance market for individual policies.

A coalition of seniors, the disabled and health insurers contend the bills are anti-consumer and are only designed to enhance Blue Cross' profits and monopoly.

"This could be a matter of life or death for many of us in Michigan," said RoAnne Chaney, health policy manager for the **Michigan Disability Rights Coalition**.

"A vote for this bill is a vote to dramatically raise health prices for thousands of Michigan families, many who are least able to pay," Chaney said.

Officials for Blue Cross have said the legislative package is crucial for its survival.

The state's largest insurer projects to lose \$166 million this year on individual health policies and another \$264 million in 2009 if nothing is done.

The bills could allow the Blues to increase rates to individuals by 37 percent and 75 percent for seniors who purchase Medicare supplemental policies, according to an analysis by Put Michigan People First, a coalition of insurers, seniors and the disabled.

The bill also would create a modified community rating system, or rate bands, that could allow the Blues to charge 300 percent or more to seniors and those with disabilities than others, the opposition coalition said.

Mary Ablan, executive director of the **Area Agencies on Aging Association of Michigan** said the proposal by Blue Cross to create rate bands could price many people out of the health insurance market.

"President-elect Obama has said he wants to make insurance more available to families. This bill moves in exactly the opposite direction," Ablan said.

Michigan's HMOs oppose the bills because they would add a new "cherry-picking" tax that the insurers say could force them to raise rates on people purchasing commercial insurance.

"We should be taking steps to address Michigan's most fundamental health insurance issues — how to expand

Advertisement

**More Lists. More Contacts.
More Cities.**

FIRST TIME EVER

Crain's **Four-City Book** of Lists on Excel featuring lists from Chicago, Detroit, Cleveland and New York.

More than 9,000 contacts!
Sort. Merge. Mail. Prospect.



CLICK HERE TO BUY NOW

availability of affordable insurance to more people. Instead, this bill will increase the number of uninsured in the state, and raise rates for all. It's the wrong prescription for Michigan," said Rick Murdock, executive director of the **Michigan Association of Health Plans**.

The proposed bills also would allow the health insurers to avoid the cherry-picking tax if they offer a community-rated plan for individuals or if they reject fewer people. A community-rated plan requires insurers to charge individuals the same premium regardless of age, sex or geography.

"None of these carriers will offer such a plan ... because it would be inherently unprofitable for them," said Andrew Hetzel, Blue Cross' vice president of corporate communications.

The opponents said legislators should allow the bills to die this year and reconsider the package in 2009.

"It is hard for us to understand why the Legislature would rush through the process bills that are so detrimental to the health of so many in Michigan," said Chaney.

"We urge Gov. Granholm to step in immediately to say she will not support bills that will hurt seniors and Michigan citizens who have health problems through no fault of our own," she said.

© 2007 *Crain* Communications Inc.