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Linda Teeter: Insurers with deep pockets fight limits on health costs

Linda Teeter is executive director of Michigan Citizen Action, a Kalamazoo-based group "dedicated to winning opportunity, liberty and justice for all."

Changes aid consumers, not Aetna, United, AARP

Michigan's individual health insurance system is badly in need of reform. The system is struggling to keep pace with rapid changes that are seeing more employers drop health insurance and more individual consumers becoming responsible for covering themselves.

A bipartisan package of reform bills overwhelmingly passed the Michigan House of Representatives in October 2007. These bills are in the Michigan Senate, and they put badly needed protections into the law for consumers.

This is why Michigan Citizen Action supports reform.

House Bills 5282-83 level the playing field for Michigan consumers. They would:

- Limit how much insurance companies can increase rates, thus keeping health care costs in check for families looking to buy their own insurance.
- Ban for-profit insurance companies from jacking up their rates to unaffordable levels just because people get sick.
- Give the Insurance Commissioner new powers to order insurance companies to refund money to people who are overcharged for health coverage.
- Create a guaranteed access plan for anyone who is rejected by an insurance company because of a pre-existing condition.
- Require insurance companies to spend a larger share of the premiums they charge consumers on actual health care services - effectively capping insurance company profits.

These reforms are opposed by a coalition of giant, for-profit insurance companies from outside of Michigan. This coalition's mantra is "people over profits," which is a strange slogan given their business practices and the massive amounts of money they make in health insurance:

- Aetna is No. 85 on the Fortune 500, with \$1.7 billion in profit reported. That's a profit of \$4.65 million per day.

- Golden Rule Insurance is owned by United Healthcare. United Healthcare is No. 21 on the Fortune 500, with \$4.1 billion in profit reported. That's a profit of \$11.2 million per day.
- AARP is opposed to reform. Why? We can only speculate because its deals with Aetna and United Healthcare to sell health insurance bring in \$200 million per year.

It recently came to light that Aetna denied medical coverage to a teenager because she was in need of a certain acne medicine the insurer objected to her using.

United Healthcare was in the news a lot last year after giving its outgoing CEO a \$1 billion golden parachute - \$650 million of which he was forced to return after a federal investigation.

Insurers like Aetna, United, Golden Rule and Humana have become more interested in their bottom line than covering you, the consumer, or providing access to affordable coverage.

Michigan reform should center on Michigan consumers and the changing needs for coverage. And Michigan families should not be subjected to out-of-state insurance company sloganeering to divert attention from needed legislative changes. This is why Michigan Citizen Action and our consumer members across the state have joined with other Michigan-based organizations - including the Grand Rapids, Detroit and Lansing chambers of commerce, the Teamsters and the University of Michigan Health System - in a coalition to support Senate passage of this reform legislation.

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