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Off the Record: Talking about death, taxes & health insurance

By Jim Grisso, HT publisher emeritus
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Ben Franklin once said: “In this world nothing is certain but death and taxes.” That was before Blue Cross Blue Shield of Michigan came along.

Consistent sky-high rate increases by the Big Bucks Blues, like death and taxes, are a sure thing, also. In fact, the Blues’ big-spending lobbyists are down in Lansing right now trying to force more down the throats of the state Legislature and ultimately us Blue Cross victims.

The good news is our state Legislature appears to be reaching across the partisan aisle (unlike the previous budget process) in its approach to the all-important issue of soaring health care insurance costs. But, be forewarned, “The jury is still out.”

Sen. Jason Allen, R-Traverse City, initially introduced a bill that set up a high-risk pool for people who can’t get affordable coverage because of serious health problems. His proposal was somewhat similar to several packages proposed in the House. At this point, I didn’t like the direction this high profile, very important issue was headed.

Meanwhile, Sen. Tom George, R-Kalamazoo (interestingly an M.D.), proposed legislation that differed significantly from Allen’s and those in the House. Serving together on the same committee, which George chaired, the “George-Allen” duo, as it is so affectionately dubbed, started to have a meeting of the minds. A new version of the bill was passed by the Senate and passed on to the House, where at last check, it rests.

Over on the sidelines sits Michigan Attorney General Mike Cox who initially called the proposal by Allen “a Trojan horse for the House-passed Blue Cross bills that clearly put profits over people.” He said it would allow the Blues to maintain their tax exemption, while abandoning their requirement to be the insurer of last resort.

Cox also wants Blue Cross to be more accountable, from its multi-billion dollar reserve fund to its overpaid executives.

The big fight centers on determining the best ways to expand individuals’ access to singular policies, which now cover about 322,000 Michiganders. Because of the economy, more people are being forced to buy their own policies due to job loss and employers discontinuing benefits at work.

“Charitable” and “benevolent” Blue Cross wants changes because it says it is losing money on the policies. No one can say for sure how much. The state’s largest health insurer wants to operate more like for-profit commercial carriers. Be charitable and operate for profit at the same time. I get the picture.

In other words, Big Bucks Blues wants to increase its \$2.4-billion reserve slush fund and pay its already overpaid executives more. Cox isn’t buying it. He points to a 42-percent increase in pay and compensation for Blue Cross executives between 2004 and 2006. Not to mention the \$493 million it spent to buy other FOR-PROFIT insurance companies since 2005.

Here are some more zingers: Michigan residents with workplace health insurance policies paid \$3,000 a year more for them – a 33-percent increase in four years – while their wages stayed the same, according to a Robert Wood Johnson Foundation study.

Workplace health care benefits cost an average Michigan family \$11,005 in 2005, up almost \$3,000 in a four-year span. In 2006, about 1 million Michiganders had no health insurance – 11.7 percent of the population.

Norm Saari, Allen’s chief of staff, walked me through the process in great detail the other day by phone. I will say he’s very knowledgeable about the issue. His philosophy: “We welcome a robust debate on all the issues.”

As a former employer and big contributor to the sometimes extravagant ways of Blue Cross Blue Shield of Michigan, and now one of those who holds a “singular” policy, I hereby accept Norm’s invitation to debate because I’ve had this “robust” feeling for years that someone needs to bring Big Bucks Blues under control.

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