



# Michigan Senate begins passing health insurance bills

Posted by **Tim Martin** | **The Associated Press** May 01, 2008 16:22PM

A small but growing segment of Michigan's health insurance market would get new rules, but not a high-risk pool aimed at covering individuals denied coverage elsewhere, under a state Senate plan that passed by a relatively narrow margin Thursday.

A divided Senate began approving what some of its members called a compromise version of legislation to guide the market for people who buy their own insurance because they aren't covered by employer or government plans. The first bill in the package passed the Senate by a 23-13 vote, mostly along party lines with Republicans -- who own the majority -- voting in favor of the proposal.

The individual market includes an estimated 250,000 to 400,000 people in Michigan, and it's expected to grow significantly within the next few years.

Blue Cross Blue Shield of Michigan, the state's biggest health insurance player, backs significantly different legislation to change the market that already has passed the House. The Blues say the House plan would help more people afford health insurance.

But critics of those bills say they're too friendly to Blue Cross and would hurt rival companies and erode consumer protection.

The Senate plan appears to be a compromise between competing versions offered by Republicans Tom George of Kalamazoo and Jason Allen of Traverse City. The bills were called up for consideration by the full Senate from its Health Policy Committee, which apparently could not reach a solid consensus on what the bills should include.

On the Senate floor, lawmakers who wanted more time to review the proposal forced the bills to be read into the record -- a rare, slow and lengthy process that temporarily delayed a vote.

Blue Cross wants to create a pool that would cover high-risk people turned down by other carriers. Blue Cross would administer the pool and absorb most of the losses, but all companies selling individual health policies in Michigan would help absorb the losses when they reach a certain point.

The Senate plan does not include a high risk pool, but it would set up a study to determine if creating one makes sense.

George said Thursday the Senate plan would continue oversight of Blue Cross rates by the state attorney general, a provision that would be eliminated under the House plan. There also are measures in the bills aimed at speeding up the time frame for rate increase applications to be reviewed by state regulators.

In a consumer protection move, the bills shorten the time during which insurers wouldn't have to cover pre-existing health conditions.

Blue Cross has a board of directors with 35 members, representing a wide range of Michigan's business, labor, health and social spectrum. George said the Senate proposal would add two more members, selected with input from leaders in the state Legislature.

Blue Cross also would be required to submit reports on how it meets its state-mandated charitable mission. The company is exempt from state taxes in exchange for its unique role in the state's health care system.

The Senate bills do not address the Blue Cross request to let its for-profit subsidiary, the Accident Fund, expand its product offerings beyond its worker's compensation line.

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