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Cox's charges against Blue Cross stand

Questioning of BCBS for illegally transferring millions to Accident Fund and purchasing for-profit companies continues

LANSING - Attorney General Mike Cox today reacted favorably to the decisions of Ingham County Circuit Court Judge Paula Manderfield in his suit against Blue Cross Blue Shield (BCBS).

In a defeat for BCBS, Judge Manderfield:

- Denied the BCBS motion to dismiss Cox's charge that BCBS violated the law when it bought three for-profit insurance companies. This charge stays in the circuit court.
- Referred Cox's charge that BCBS illegally transferred \$125 million to Accident Fund back to the Insurance Commissioner for reconsideration of his earlier approval. However, in a key segment of her decision, Judge Manderfield clearly disagreed with the rationale of the Insurance Commissioner's first decision.

"This ruling supports my charges that Blue Cross broke the law when it bought for-profit companies and when it used \$125 million of their customers' money to do it," said Cox. "Blue Cross has built a huge surplus with the help of state tax breaks and rapidly rising insurance premiums. They should be cutting health costs for Michigan families instead of diving deeper into the for-profit insurance industry."