

Confusing Blue Cross bills are not ready to be passed

Editorial

THE OAKLAND PRESS

For the past several months, The Oakland Press has been laboring over whether to support the four-package Blue Cross Blue Shield health care bills currently in the Michigan Senate.

We like the premise of House Bills 5282 and 5283, the first two in the package. They're supposed to help promote lower health insurance premiums and make insurance more accessible to those who must pay for their own coverage.

The other bills, 5284 and 5285, are geared toward helping several wholly owned for-profit subsidiaries of Blue Cross. Why the state's largest health care provider and a nonprofit company that benefits from numerous tax breaks needs for-profit companies is puzzling. Blue Cross officials say that helps the nonprofit portion of their company's bottom line.

However, Michigan Attorney General Mike Cox, a Republican, and Democratic Gov. Jennifer Granholm have helped The Oakland Press make a decision.

The bills, at least in their current form, should not be passed.

They're complicated and very confusing and may not do what they were intended to do.

Cox has opposed these bills since last fall. One of his concerns is that the attorney general's office has been left out of the oversight process that he currently shares with the state Insurance Commission.

As the state's top legal adviser and consumer advocate, we agree with Cox that the attorney general's office must be included in overseeing this vast health care industry. While the Insurance Commission may try to do what is best for the consumer, a second, more impartial overseer would help ensure fairness to consumers.

Cox has said the health insurer seems to be padding an already-hefty fund reserve.

Cox says that, five years ago, Blue Cross Blue Shield had \$1.3 billion in reserves and, by law, needs only \$680 million. Today Cox says the nonprofit insurer has \$2.84 billion in the bank.

Blue Cross officials argue the money is needed in case of severe emergencies and that the company has only 1.7 months of reserves on hand if it stopped taking premiums.

That might be a good point, except that the only way Blue Cross would lose all of its premium income is if the unspeakable happens -- such as the unleashing of a nuclear or biological weapon of mass destruction. In that case, the payment of premiums will be the least of all our worries.

Granolm, meanwhile, in a meeting with editors and reporters of The Oakland Press, admitted the bills need to be revamped.

She said some changes should be made but declined to go into detail.

The governor also admits the attorney general's office should be included in the oversight process.

These two top state officials from opposite parties are saying that there is something wrong with the bills.

We're not going to argue with them.

The bills were hastily passed in the House. We suspect many representatives trusted Blue Cross but didn't really understand the language in the legislation.

Blue Cross has been around since the 1930s and, even though the laws may need to be changed, taking a little extra time to make sure the reforms benefit not just Blue Cross, but the consumer as well, is only prudent.

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