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Time for health insurance compromise

Signs of common ground could point to reform

A hearing is scheduled today before a Senate committee to discuss new bills designed to ease pressure on Blue Cross Blue Shield, and cut into the ranks of Michigan's uninsured.

After nearly two years of wrangling over how individuals in Michigan insure themselves, bills developed by a group led by Sen. Tom George, R-Kalamazoo, just may offer a way ahead. Much remains to be seen, though, as all the various interests weigh in.

As always, the Legislature's key principle must be equity. Changes in insurance law should try to create more opportunities for people to help themselves. Laws also should not unduly aid or unduly burden any individual company.

Since bills backed by Blue Cross were rushed through the House in the fall of 2007, this issue has been fought between two entrenched forces. On one side, Blue Cross says the law on individual insurance plans is driving up losses; the nonprofit insurer even announced staff cuts earlier this year. On the other side, for-profit insurers cried foul over the idea of paying fees that would go to Blue Cross, which already receives a state tax exemption for its charitable work as the "insurer of last resort."

After banging heads for months over what wouldn't be acceptable, insurers may have room for some agreement.

A key provision in the George package is an assessment on insurers to reimburse health bills that exceed \$25,000 for a patient. This idea also is incorporated into legislation advanced by House Democrats led by Rep. Marc Corriveau, D-Northville. Each plan would have the state's Office of Financial and Insurance Services in charge of the program.

George and his Senate group also would impose fees on insurers to undergird a new system of basic low-cost health insurance plans. More than 1 million people in Michigan do not have health insurance. Those ranks are expected to grow as more employers cut back on health benefits, or employment.

Blue Cross has long argued that having to take any individual, regardless of health costs he or she may bring, is too much for it to bear alone. A broad-based fee system, under the state's supervision, could ease the burden and boost access to affordable coverage for consumers.

Brokering such a compromise would give a boost to the Legislature's tattered reputation, too.
