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UAW joins foes of Blue Cross bills

Insurer wants to raise solo policy costs

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The UAW added its name Thursday to a list of opponents of legislation promoted by Blue Cross Blue Shield of Michigan to alter rates and policy-setting practices for Michigan's individual health insurance market.

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"The market for individual health insurance in Michigan is broken, but these bills are not the fix we need," said Ron Gettelfinger, UAW president, in a statement posted on the union's Web site. It advanced objections the union's government relations team circulated in December to the Legislature.

The bills would change how Blue Cross sets rates for about 400,000 people who purchase their own insurance. That market is expected to grow from 6% to as much as 25% of Michigan's health insurance policies in five to seven years, as more employers drop workplace coverage, according to Blue Cross estimates.

If passed, the bills would allow Blue Cross to delay from six months to 12 months the time it has to provide insurance for people with pre-existing conditions; eliminate challenges by consumers and the Attorney General to proposed rate hikes; create a high-risk fund to provide insurance for those who can't afford other coverage, but at higher rates, or higher charges because of a person's age and health status; and let the Accident Fund, a for-profit Blue Cross subsidiary headquartered in Lansing, sell more than workers

compensation insurance.

Proposals to link health status to the cost of insurance would "shift costs to the chronically ill and the aged - those most in need of insurance," Gettelfinger said in the statement. The UAW posting also said that a high-risk pool should be more aptly named a "high-price pool" because rates would be higher and "many individual customers will not be able to afford it."

UAW opposes expanding the Accident Fund, saying it "has no significant expertise" in other types of insurance, the statement said.

Blue Cross says the changes are needed to offset mounting losses on its individual policies. Spokeswoman Helen Stojic said in a brief e-mail that the "UAW believes like we do that the marketplace is broken and doesn't work for consumers. We each have different ways of approaching the solution."

The bills passed the House Oct. 24 by large margins. The Senate Health Policy Committee has conducted several general discussions on the individual health insurance market, but is expected to suggest changes in the House-passed bills in the next few weeks, said Sen. Tom George, R-Portage, chairman of the committee.


The bills' opponents include Attorney General Mike Cox; the Michigan chapter of the AARP; and the Area Association of Aging Associations in Michigan. Opponents say Blue Cross should use profits from its subsidiaries and its \$2.8-billion reserve fund to help pay for losses in one of the few areas in which it loses money.

The legislation is supported by the University of Michigan Health System, the Small Business Association of Michigan, several local chambers of commerce and the Michigan Oil & Gas Association.

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