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## **COX CALLS FOR CHANGES TO BLUES BILLS**

State oversight over Blue Cross/Blue Shield of Michigan should remain as a feature of any legislation that changes the individual health insurance market, [Attorney General Mike Cox](#) told the Senate Health Policy Committee at a hearing on Wednesday.

Legislation - [HB 5282](#), [HB 5283](#), [HB 5284](#) and [HB 5285](#) - will allow BCBSM to boost profits and buy more companies while not providing the same level of state oversight that now exists for the Blues, Mr. Cox said.

And in other testimony officials with the Office of Financial and Insurance Services said that when changes were made to the small group insurance market several years ago, commercial insurance companies and health maintenance organizations actually saw an increase in market share.

That change to the market was also driven by BCBSM, and as the Legislature considers the current legislation dealing with individual coverage some critics of the legislation have charged the small market changes hurt other insurance companies.

Mr. Cox reminded the committee that some years ago the Blues had called for becoming a for-profit company, worried that in its

current status it could face a death spiral.

Since the company is making as much as \$1 million a day, many companies would "hope for, wish for, pray for such a death spiral," he said.

His biggest criticisms of the House-passed measures were that they essentially removed all state oversight over the Blues and allowed the company to oversee operations of a high-risk pool.

If a high-risk pool is created, then it should be overseen either by OFIS or another government entity, Mr. Cox said.

He also said that if the Senate passes the bills then the attorney general's current oversight role should be maintained, but at the very least the oversight that OFIS has should be included.

And he called for workgroups to look into different aspects of the legislation and resolve some of the questions before taking action.

Mr. Cox said the state also should have an audit of BCBSM before taking action. But Helen Stojic, a spokesperson for the company, said the company is audited regularly, with the last audit by the state being completed in 2005.

The Senate committee has not indicated when it will vote on the

bills, as the committee is still taking testimony. Senate [Majority Leader Mike Bishop](#) (R-Rochester) told reporters that he is urging the committee to take its time to review the legislation before acting.