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## Health plan pools studied

State Senate looks at coverage option

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BY PATRICIA ANSTETT

FREE PRESS MEDICAL WRITER

LANSING -- The Michigan Senate's health policy committee on Wednesday heard a national expert on individual health insurance describe how most states have abandoned the current system used by Michigan in favor of pools that provide policies for people with costlier health problems.

Rod Turner, chief actuary for America's Health Plans, a Washington, D.C., association of commercial insurers, described so-called guaranteed access pools set up by 34 other states. Most states no longer have a system that Michigan uses to set one insurer, Blue Cross Blue Shield of Michigan, as the insurer of last resort, requiring it to take all applicants.

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Blue Cross is seeking legislation, passed by the Michigan House last October, which would change the way it writes and prices individual policies. Blue Cross favors guaranteed access pools and wants to run one, with contributions after two years from all commercial insurers in Michigan. Commercial insurers oppose the legislation, as it is now written, saying such a law would give them no authority over how the policies would be administered; would end up costing them millions of dollars, and could lead to some commercial insurers leaving the state.

Fewer than 100,000 people under age 65 have individual health insurance, but the market is growing as more employers reduce or drop workplace benefits. In seven years, these individual policies may climb from 6% to 25% of all Blue Cross plans.

Wednesday's hearing was to teach the committee more about the individual health insurance market, said Sen. Tom George, R-Portage, chair of the health policy committee. George, a medical doctor, said he plans to discuss the four bills in segments on yet-to-be-scheduled dates.

Federal financing is available to help offset losses for policies of people in the high-risk pools, Turner told the committee. New Hampshire and Iowa receive about \$1 million in federal financing for losses, said Turner, who serves on boards in both states, which run pools. But federal money is no longer available to start the funds, he said.


Some 170 people, many of them insurance industry lobbyists and members of public relations firms hired by Blue Cross and commercial insurers for the upcoming legislative battle, attended the hearing and passed out statements and position papers.

Denise DeCook, spokeswoman for the Coalition for Access and Affordability in Michigan, which opposes the legislation, said the bills provide no incentive for Blue Cross to add incentives for healthy behaviors, or to cut administrative costs.

Contact **PATRICIA ANSTETT** at [panstett@freepress.com](mailto:panstett@freepress.com)

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