

## MIRS Capitol Capsule, Wednesday, January 28, 2008

### **George: Tackle Risk Pool Issue First In Blues Bills**

Senate Health Policy Committee Chair Tom **GEORGE** (R-Texas Twp.) isn't ready to say that Michigan shouldn't have both a high-risk pool and an insurer of last resort, as would be the result of Blue Cross/Blue Shield of Michigan (BCBSM) legislation before his committee.

"It is a question to think about," George told *MIRS* today. "This question may be addressed Wednesday (the next hearing)."

But the chair does point out that no other state has such a setup. Four have an insurer of last resort (like the Blues) and more than 30 have risk pools.

The first hearing on Jan. 23 featured testimony by Rod **TURNER**, chief actuary of America's Health Insurance Plans (AHIP), who gave an overview of the individual health care market (See "[Senate To Take Time On Blues Bills](#)," 1/23/08).

Wednesday's hearing will feature testimony from BCBSM, commercial carriers and HMOs on the risk pool issue. New legislation would force competing commercial insurance companies to basically send money to BCBSM to help fund the state's high-risk pool.

George said he wants to tackle risk pools first before looking into allowing the Accident Fund, a Blues subsidiary, to join the individual market changing state oversight of the Blues.

"How we answer the risk pool question will play into the Accident Fund and other issues," George said. "It's the place to start."

George plans several hearings on [HB 5282](#), [HB 5283](#), [HB 5284](#) and [HB 5285](#), though he has not settled on a topic yet for next week. He said he's pleased with his committee's willingness to

"take a lot of time" exploring the issue and ask questions.

The House has come under fire for moving the Blues bills out of a committee after one hearing. Interestingly, George said he has not spoken with the House Insurance Committee Chair or any other committee members.

George didn't have any comment on the report released on Jan. 18 by the Anderson Economic Group (AEG) paid for by the anti-Blues "Coalition for Access and Affordability of Michigan (CAAM)" a group of private insurers. The report claims the Blues enjoy a \$130 million tax benefit from the state of Michigan, though the Blues say that doesn't include \$458 million in charitable giving (See "[Blues Bills Spark Broader Debate](#)," 1/18/08).

*MIRS* asked George if given Michigan's tight budget situation, whether the Blues' tax-exempt status should be on the table.

"I don't know," he said.