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## Judge rules against Blue Cross bid to raise individual rates

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In a victory for consumers, a Lansing administrative law judge ruled today that Blue Cross Blue Shield of Michigan has not made the case to raise rates for individuals who buy their own health insurance.

The ruling by David Lick eventually could lead to refunds for at least 100,000 consumers if upheld by Michigan Insurance Commissioner Kenneth Ross, said Joe Aoun, the Ann Arbor attorney for the Livonia couple who filed the rate hike challenge in 2006.

Aoun said the case eventually could help to hold down costs for all of Blue Cross' 4.6 million Michigan customers, citing Lick's comments in the ruling that Blue Cross' \$2.4 billion in surplus funds is excessive.

In the ruling, Lick said he concluded "that on the basis of a reasonable evaluation standard that the present and anticipated unimpaired surplus is excessive as an element to be considered whether or not the rates should be modified accordingly."

Blue Cross spokeswoman Helen Stojic said the ruling "is part of a bigger process" and "not a final judgment."

Meantime, Blue Cross continues to lose money on the individual policies, she said. "This has gone on for longer than a year," Stojic said. "No one insurance company has to go through this exceedingly long process to make their rates reflective of the medical costs of insurance."

Aoun and Blue Cross have 30 days to send Lick their written objections to his findings. The final decision on the rate structure will be made by Ross.

The case involves a rate hike proposal filed by Blue Cross in October 2006 for seven of 12 individual insurance policies. It sought increases of 25% to 43%.

In April 2007, former insurance commissioner Linda Watters approved interim rate hikes of 10% to 19%, pending a final decision by her office. They took effect last June 1 and run through May 31.

For Ron and Ghada Abraham, the Livonia couple who challenged their rising Blue Cross premium, the increase would have brought their monthly premium to \$510.45 a month, up from \$458.79 a month, for a plan that provides little beyond catastrophic coverage for serious health problems.

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