



Approved Compromise Measure Provides Consumer-Friendly Reform to Individual Health Plan Market, According to a New Report from HealthLeaders-InterStudy

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NASHVILLE, Tenn., July 8 /PRNewswire/ -- HealthLeaders-InterStudy, a leading provider of managed care market intelligence, reports that Blue Cross Blue Shield of Michigan's proposed package of bills reforming the state's individual insurance market and allowing the insurer's for-profit subsidiaries to expand its non-health insurance products, met resistance with the state Senate. According to the latest Michigan Health Plan Analysis, the state Senate approved a compromise measure only giving the insurer some of what they wanted, deferred a portion of the request and took no vote on the expansion of the non-health business.

"It came as a bit of a surprise that the Legislature only passed a few measures," states Rick Byrne, market analyst for HealthLeaders-InterStudy and author of the report. "The result, however, did provide consumer-friendly reforms to the state's individual health plan market."

The measures approved would ban rate hikes on individual policies because of a person's health status, require insurers to notify policyholders of coverage options when certain policies terminate, notify those denied coverage of the reason in writing and shorten the waiting period for those with pre-existing conditions to six months, from twelve months, that insurers could deny coverage for those conditions. The waiting period change now puts Blue Cross Blue Shield of Michigan, its competitors and all of Michigan's HMOs, in parity on that account.

The other key health plan issue at stake was the Blue plan's statutory status as the state's insurer of last resort. In addition to keeping that status, Blue Cross Blue Shield of Michigan had asked for a shared risk pool for those who had been declined for coverage by other insurers, and asked that it run the pool, funded by an assessment on other insurers. A decision on the shared-risk pool has been delayed due to a provision directing the state's Office of Financial and Insurance Regulation to study the concept, much to the satisfaction of other commercial insurers within the state.

About Health Plan Analysis

Health Plan Analysis identifies key health plan trends, allowing healthcare businesses to create comprehensive strategic plans and sales strategies at state and local levels.

About HealthLeaders-InterStudy

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