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## EDITORIAL: Lawsuit may shake up health care landscape

Outgoing Michigan Attorney General Mike Cox may have the last laugh.

The onetime gubernatorial hopeful made his aggressive handling of rate increase requests by Blue Cross Blue Shield of Michigan a campaign talking point in the 2010 Republican primary.

Cox didn't always win his jousts against the Blues at the regulatory level, but as he leaves office in December, his legacy may be the lawsuit against Blue Cross that his office brought jointly last week with the U.S. Justice Department.

If successful, the suit could unravel the nonprofit Blues' decades-long dominance as the state's largest health insurer.

At the very least, it shines a public spotlight on practices competing health insurers long suspected.

As Jay Greene reports on Page 1, the feds allege that the Blues pressured 23 hospitals throughout the state to charge its competitors as much as 39 percent higher than what they charge the Blues.

In business, it's not unusual for a large customer to seek the best deal or discount from a key supplier. But health care policies aren't auto parts. There's a public interest issue involved here. And now a federal judge in Detroit will have the chance to determine the health care landscape in Michigan for at least five years by sifting through claims that Blue Cross has used its market dominance to limit competition.

The Blues counter that their contracts have saved companies and consumers billions of dollars over the years. Critics contend those savings don't show up in premium reductions.

If the antitrust claims are proven, Michigan can expect other health plans to grow and more for-profit insurers to enter the Michigan market.

At the *Crain's* Health Care Leadership Summit last October, some attendees argued that transparency in pricing would help consumers make informed choices on which hospitals or

doctors to patronize. But how can you trust the numbers if insurers — who cover a majority of Michigan residents, are charged wildly varying prices for services delivered?

The timing of the lawsuit is ironic. Blue Cross has long said it is required by state law to accept all customers. In a few years, federal health care reform forbids any insurers to reject patients for pre-existing conditions or health risks. How Blue Cross competes on that playing field would have been interesting. But the rules of the health game may change even earlier in Michigan, depending on the outcome of this landmark lawsuit.