



# Michigan Association of Health Plans

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## **MAHP Position on Individual Market Reform (HB 5282-5283)**

MAHP urges the legislature to support HB 5282 (S-5) and HB 5283 (S-4) in order to:

1. *Assure Consumer protections*
2. *Provide prudent regulatory reforms, including those that will continue to provide for community rating practices*
3. *Require a comprehensive independent study of the individual market.*

### **Results of this approach will be:**

1. **HB 5282 (S-5) & HB 5283 (S-4) Protect Consumers**
  - a. No more than 6 month pre-existing condition exclusion for all carriers
  - b. No medical underwriting at renewal
  - c. Consumer Choice of Health Plans
  - d. Create premium stability and affordability
  - e. Reduce number of uninsured by keeping products affordable
2. **HB 5282 (S-5) & HB 5283 (S-4) Provides Regulatory relief**
  - a. Sustains Community Rating
  - b. Accelerated rate approvals for carriers (speed of decisions by OFIR)
  - c. Continues appropriate role for AG and OFIR in PA 350 and Insurance Code
3. **HB 5282 (S-5) & HB 5283 (S-4) Commissions an Objective Evaluation of the individual Market in Michigan.** The commissioned study would assess the degree of accessibility to affordable options for the individual market population. Example questions to be answered from the evaluation.
  - a. Determine the size and anticipated growth of the market
  - b. Document the number of insurance carriers serving the individual market and their respective membership and market share
  - c. Document the number of, and pricing of, the individual plan options, including: conversion, SMIC, and non group membership
  - d. Document the various rating methodologies for all carrier types
  - e. Document the financial results (MLR/ALR) by carrier/plan of the options available.
  - f. Confirm actuarial soundness of existing rates in the market place
  - g. Review of OFIR complaints, appeals, and grievances
  - h. Thorough review with pro's and con's of various models to serve the individual and high risk "residual" individual market

### **All interested parties will have gained in this compromise**

- Consumer win, by protecting and expanding coverage options, limited cost increases, and limiting denial of coverage
- BCBSM win by increased regulatory relief and rate filing

- Michigan wins by supporting viable options in the individual market environment and the conduct of a more comprehensive study to base informed future decisions.