



Michigan Association of Health Plans

May 23, 2008

To: Representative Virgil Smith
From: Rick Murdock
Subject: Requested response for House Work Group in IMR

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Thank you again for your leadership in convening the workgroup to review the issues on Individual Market Reform. Per request of the meeting we were asked to identify the top issues for our organization and points that are non-issues. Because of the limitation on time, we are focusing on the “top issues” and believe that your staff’s analysis of the point of differences on the legislation identifies “non-issues”.

Top Issues

As we focus on this legislation the following points for a framework for decisions should be used and represent our top issues and concern:

- Assurance that we provide affordable health care for Michigan’s Citizens and avoid changes that will result in increased costs of premiums
- Promotion of competition and choice to provide accessible health care
- Protection for citizens with appropriate regulatory oversight while providing meaningful regulatory relief
- Eliminates the risk of unintended consequences

In our analysis, HB 5282 (S-5) and HB 5283 (S-4) meet these objectives and represents a compromise that balances the needs of Michigan’s citizens with those of carriers in the market. This is coupled with the facts that:

- Michigan currently has among the lowest individual premiums for individual market (as documented by America’s Health Insurance Plans, AHIP);
- Michigan has a lower than the national average percentage of uninsured; and
- As noted in testimony by OFIR, the Individual Market appears to be healthy.

This underpinning provides Michigan with the opportunity to make a more deliberate approach to this important legislation and would indicate that the current system is currently functioning well and meeting the needs of citizens.

As you will recall, a number of comments were made yesterday regarding the need for more information, the need for costing out alternatives, and the need for understanding the implications of different models. This is exactly why we have promoted and was pleased to see the required commissioned study of the individual market included in HB 5282(S-5). We believe that the best public policy will result from the information and data that is expected to be the result of such a study and the legislation can then make an informed decision. MAHP will continue to advocate for this approach and our support for HB 5282 (S-5) and HB 5283 (S-4).