

Individual insurance rates soar in 4 states

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In this Oct. 27, 2003 file photo, employees enter the headquarters of Anthem Inc. in Indianapolis. Anthem Blue Cross, a subsidiary of WellPoint Inc., has been under fire for a week from regulators and politicians for notifying some of its 800,000 individual policyholders in California that it plans to raise rates by up to 39 percent March 1. (AP Photo/Darron Cummings)

(AP) -- Consumers in at least four states who buy their own health insurance are getting hit with premium increases of 15 percent or more - and people in other states could see the same thing.

Anthem Blue Cross, a subsidiary of WellPoint Inc., has been under fire for a week from regulators and politicians for notifying some of its 800,000 individual policyholders in California that it plans to raise rates

by up to 39 percent March 1.

The Anthem Blue Cross plan in Maine is asking for increases of about 23 percent this year for some individual policyholders. Last year, they raised rates up to 32 percent.

Kansas had one recent case where one insurer wanting to raise most individual rates 20 percent to 30 percent was persuaded by state insurance officials to reduce the increases to 10 percent to 20 percent. The insurance department would not identify the company but said it was not Anthem.

And in Oregon, multiple insurers were granted rate hikes of 15 percent or more this year after increases of around 25 percent last year for customers who purchase individual [health insurance](#), rather than getting it through their employer.

Premiums are far more volatile for individual policies than for those bought by employers and other large groups, which have bargaining clout and a sizable pool of people among which to spread risk. As more people have lost jobs, many who are healthy have decided to go without health insurance or get a bare-bones, high-deductible policy, reducing the amount of premiums insurers receive.

Steep rate hikes in this sliver of the insurance market - about 13 million Americans, as of 2008 - have popped up sporadically for years. Experts see them becoming increasingly common.

"You're going to see rate increases of 20, 25, 30 percent" for individual health policies in the near term, Sandy Praeger, chairwoman of the health insurance and managed care committee for the National Association of Insurance Commissioners, predicted Friday.

Most states don't have the legal authority to block or reduce health insurance rate increases, Praeger noted.

"When you see stories like (Anthem's), you can almost guarantee there's going to be increased consumer protection activity" in state legislatures, she said.

Her group doesn't track rates state by state, but Praeger said it likely will start doing so, "if we don't get any kind of meaningful reform at the federal level."

Politicians and even some health insurers, including Anthem, are urging a revival of the stalled effort in Congress to overhaul the health care system, arguing everyone needs to be covered by health insurance in order to prevent such premium spikes.

In Maine, where Anthem dominates the market, its proposal has several consumer groups planning big rallies at two public hearings on the rates, on Feb. 22 and 24.

Under Anthem's proposal, a family of four could be charged up to \$1,876 per month if the proposed rates are allowed to take effect in July.

"The rate request should be denied on its face. It's outrageous," said Greg Howard, spokesman for Maine Change That Works. "We are in the middle of ... this record-breaking type of recession, and they're doing what they need to guarantee profit margin."

On Friday, Maine House Speaker Hannah Pingree and Senate President Elizabeth Mitchell wrote to two congressmen who have scheduled a Feb. 24 hearing on Anthem's pending rate hikes in California, asking them to also look into the proposed hike in Maine.

"We frankly have been very frustrated by the size of these increases," Pingree told The Associated Press. "Obviously, they are attempting to price certain people out of the market."

Last year, Maine's Superintendent of Insurance Mila Kofman rejected Anthem's initial requests, which would have increased individual rates an average of 18.5 percent. She allowed an average increase of 10.9 percent, with the highest increase at 32.4 percent.

Anthem sued the state. Oral arguments in the case are to be scheduled before the Maine Superior Court for mid-March.

Anthem spokesman Chris Dugan said Friday evening the company wants the court to review Kofman's decision because it didn't allow the company an operating profit. He said the rates requested for 2010 are needed "to make sure that we have adequate resources to cover the remaining members" in the insurance plans.

WellPoint, based in Indianapolis, has said it needs to raise rates so much because the weak economy has resulted in fewer people remaining in the individual market in California, and many who do have serious health problems. It says costs of caring for them have been rising due to higher provider prices and more use of diagnostic tests.

In Oregon, state insurance officials have concluded that rising costs justify the higher individual premiums, particularly because most insurers cut rates too much in 2006 and then got hit with significant losses. So double-digit increases, some 25 percent or higher, have been approved, or reduced a bit from 2007 to 2010.

Insurance Division spokeswoman Cheryl Martinis said the agency has started posting details of all proposed increases on its Webpage site and e-mailing customers when a proposal comes in so they can comment.

"People are extraordinarily upset in Oregon, as they are nationwide, about health care costs," she said.

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