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Editorial: Healthy ideas for health care reforms

Proposed reforms could make Michigan more competitive

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When health insurance is so expensive that businesses are dumping their employee coverage, more than a million Michiganians are doing without it and we're all burdened by \$2 billion a year in unreimbursed hospital care, reforms are overdue.

That's why it comes as good news that state House and Senate health policy leaders have launched efforts to make health care more affordable.

It's an incredibly complicated undertaking, and lawmakers should keep in mind the basic principle of "do no harm" as they sort it out. A key goal should be to avoid making things worse by transferring additional costs to employer-paid group coverage -- one consequence of past government efforts to control burgeoning Medicare and Medicaid costs.

A proposal from Sen. Tom George, R-Kalamazoo, would expand health insurance benefits to cover about half of the more than 1 million uninsured Michiganians, using new assessments on all health insurers as well as Blue Cross and Blue Shield of Michigan. It also would rely on higher fees on hospitals and, likely, federal funding.

Rep. Marc Corriveau, D-Northville, is the House leader for a package of bills aimed at insuring Michigan children lacking medical coverage -- about 151,000, according to Kaiser Foundation figures -- and make available low-cost basic coverage to about a million uninsured adults.

Corriveau says about 400,000 state residents could afford health insurance now but choose not to buy it -- many of them college students and other healthy young folks -- and probably wouldn't take the new opportunity, either.

His plan would be financed with payments from nonprofits -- Blue Cross and Blue Shield of Michigan and health maintenance organizations -- equal to their tax breaks. That's \$80 million for Blue Cross alone.

Both plans have features that carry over from an uncompleted effort in the last legislative session to revise rules governing health insurance coverage paid for by individuals. One is a statewide risk pool, similar to the catastrophic claims fund for auto insurance, which would cover medical care costs in excess of \$25,000. Theoretically, that would hold down rates for all coverage and make it easier to offer low-cost basic health policies to people who can't afford insurance.

The House plan also would squeeze costs out of the system with stronger action to halt Medicaid fraud, electronic prescribing and a bulk drug purchasing cooperative for the uninsured and underinsured.

George would encourage good health practices by mandating higher insurance rates for people who smoke or are severely overweight.

Some argue the state should wait for a federal health plan the Obama administration is fashioning.

But considering the two decades of failed health care reform by Congress, that doesn't seem like a productive strategy. And Corriveau says he's confident a Michigan plan could dovetail with any new federal program.

Massachusetts -- by most accounts -- has benefited from dramatic health insurance reforms it undertook while Mitt Romney was its governor. Michigan should be equally bold. The right kind of reforms not only would benefit those without coverage now but also would become an important tool in our efforts to draw businesses and young professionals.

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