

Health plan bills criticized

By Don Mecoy, Business Writer

Oklahoma's insurance commissioner agrees with a coalition of health and policy groups that has criticized proposed legislation that would exempt some health plans from state regulation, claiming that the measure would aggravate problems with access to health coverage.

Congressional legislation touted by President Bush as a method to improve access to affordable health care for workers at small businesses would allow such companies to cross state lines to band together to buy health insurance called Association Health Plans.

Opponents, including state Insurance Commissioner Kim Holland, fault the bills for removing state regulation of such plans and placing the association health plans under the oversight of the U.S. Labor Department.

"Oklahoma would be unable to do anything to protect consumers, doctors and hospitals when they experience problems with a health claim because federal AHPs (Association Health Plans) could operate outside of our authority," Holland said in a statement issued Tuesday. "Even more troubling, no comparable federal rules would exist to assure that enrollees in AHPs are protected."

Labor Secretary Elaine Chao earlier this year assured Congress that she would allocate sufficient resources to properly administer the program. She said the Congressional Budget Office estimated that consumer savings would range from 9 percent to 25 percent if the legislation were adopted.

But Holland said that the legislation would eliminate state premium limitations for most plans, allowing them to charge more for high-risk groups than permitted under Oklahoma law. While the plans could offer good rates to companies with health workers, most small employers probably would pay more for health insurance, she said.

U.S. Sen. Tom Coburn, R-Muskogee, said the proposed bills are a positive move toward a needed reconstruction of America's health care system. Similar bills have been approved by the U.S. House in recent years but have stalled in the Senate or in conference committees. "While a step in the right direction, Association Health Plans are only a short-term fix," Coburn said in a statement Tuesday. "To effectively address the serious problem of health care access and rising health care costs, a total overhaul of our current system is needed to place the consumer back in control of their health care decisions. Creating a free market

DID YOU KNOW



About combining health plans

Association Health Plans are designed to allow small businesses to cross state borders to band together and provide cheaper health insurance for workers.

■ President Bush has advocated the establishment of uniform federal standards for Association Health Plans aimed at allowing small employers to achieve greater purchasing power, administrative efficiencies and flexibility in benefit design.

■ Opponents claim federalization of those plans would strip away consumer protection offered by state agency oversight.

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system that fosters competition and choice will reduce costs while expanding coverage. My goal is to put the consumer — not insurance companies or government bureaucrats — back in charge of health care decisions."

A study released Tuesday by a consortium of groups, including BlueCross and BlueShield Association, the American Cancer Society and the American Nurses Association, shows that many state-mandated consumer protections, such as independent review of denied claims and guaranteed coverage for mammograms, would be lost under Association Health Plans.

Phil Woodward, executive director of the Oklahoma Pharmacists Association, said his group's opposition to the legislation was based on what was best for consumers. Woodward sent a letter to Coburn stating his group's "strong opposition" if the plans weren't administered by the state Insurance Department. "But if it's something that can absolutely be regulated by the feds or the state insurance board, I'm not real sure the (pharmacists) association would be opposed to it," Woodward said. "We were concerned that premiums might go up."