

RUTLAND HERALD

Time to change insurance rules

Frank Mazur

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The price of Obamacare is escalating and motivating Republicans to call for its replacement, saying competition, expanded choice and market reforms would lower costs. But the president's veto pen threatens reform efforts.

Fifteen years ago, state legislators proposed the purchase of health insurance across state lines; there was resistance by insurance commissioners. Each state commissioner has a set of laws that prohibited out-of-state products with a different set of regulatory protections for their state. This provides state insurance regulators a monopoly resulting in many mandates, low-quality health coverage and high costs.

The best solution promoted by the CATO Institute is for states to leave most health insurance regulations intact but allow the purchase of health insurance from other states regulated by that second state. This would increase competition between states and consumers would have greater choice.

House Speaker Paul Ryan recently appointed a task force of congressional committee chairmen to develop a governing agenda and one item highlighted is an alternative to Obamacare. Chairman Upton has proposed an interstate compact for health insurance. Upton's interstate compact would be a "treaty" between states and approved by Congress. It would create a national market for health insurance without federal regulations. Precedence already allows Interstate Nurse and Physical Therapy Licensure compacts between states and similar compacts are in effect for life insurance, annuities, disability income and long-term care insurance.

With our mobile society, compacts meet a need and travel with people across state lines. This is necessary for health insurance. It's a fix long overdue.