

INSUREBLOG

INSURANCE ISSUES, PRINCIPLES & SOLUTIONS

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58 State Insurance Recap

Well, maybe not all 58, but a select few:

■ First up, Empire State officials have nailed health insurers - hard - for violating Timothy's Law. InsureBlog readers have known about this regulation for almost 6 years. Then in 2007, we reported on the law's initial implementation:

"[C]arriers who want to continue marketing in the Empire State must cover mental health claims much the same as they cover any "regular" medical condition"

But it went far beyond that: the law also requires that insurers offer to sell an enhanced mental health benefits package to its group customers; failure to do so has proven, well, expensive:

"New York's Department of Financial Services (DFS) has fined insurers \$2.7 million because the insurers failed to notify small businesses that they were eligible to buy special insurance coverage for mental illnesses and children with serious emotional disturbances"

An expensive lesson. Of course, it's the consumer who ultimately pays this fine: carriers simply pass it along in the form of (additional) rate hikes. Well played, DFS, well played.

■ The "next big thing" arising from ObamaCare© seems to be Multi-State Plans (MSP's). These are essentially supersized Exchanges, promising increased competition, lower costs, more choice and great taste (not to mention less filling).

■ From the "Careful What You Wish For" Files:

"The individual health insurance price difference limits in [ObamaCare©] could lead to big increases in rates for some young consumers starting in 2014."

Ya

think?!

That this is "news" just goes to show how ignorant the press is regarding how health insurance has worked for many, many years. They have only to look at states which mandate Community Rating to see that this model **always** increases rates.

Always.

■ Finally, some good news on the exchange front. FoIB Michael Cannon, the Cato Institute's director of health policy studies, reports that Yellowhammer State Governor Robert Bentley has vowed to veto Alabama's proposed Exchange:

"This legislation is premature. The federal government has yet to establish clear guidelines for a health insurance exchange ... Doing so without clear guidance from Washington would simply be a guessing game"

Quite so.

POSTED BY HENRY STERN, LUTCF, CBC AT 3:05 PM