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House kills health insurance bill

BOISE - A bill aimed at forcing insurance companies to cover patients at specialty hospitals failed narrowly in the House on Wednesday, after opponents argued it could raise costs for employers and hurt community hospitals that now provide medical services for a majority of Idaho residents.

The measure, which lawmakers killed 39-31, would have expanded a law that requires insurance companies to reimburse all health care providers that want to participate in health care networks.

Private specialty hospitals wanted access to the networks and a conflict between them and insurance companies in northern Idaho prompted Coeur d'Alene Republican Rep. Nonini to sponsor the measure, which he said would give Idahoans more options.

In debate that lasted nearly two hours, Republicans and Democrats who opposed the bill argued it would siphon patients away from general hospitals. That would leave them with less power when bargaining for reimbursement prices with insurance companies, driving up costs, they said.

"This legislation is designed for a very, very small handful of people at the expense of all of our employers and at the expense of all the rest of the citizens of Idaho," said Republican Rep. Fred Wood, a medical doctor and director at the Cassia Regional Medical Center in Burley.

Nonini, an insurance agent, said his opponents were raising false alarms about higher costs.

"They've yelled fire in a crowded movie theater when there is no smoke," he said, arguing that existing loopholes in Idaho's insurance laws dating back to the 1990s were allowing networks to unfairly exclude competition from specialty hospitals like Northwest Specialty Hospital in Post Falls.