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## Reform may mean rate hikes

*Insurance spokesman says Idaho's historic low rates may become a thing of the past*

One of Idaho's largest insurance providers predicts the state's residents will pay more in premiums with the recent passage of the largest reform of the industry since Medicare and Medicaid originated in 1965. Idaho has the lowest health insurance premiums in the nation, running 11 percent less than the national average, according to an e-mail from Stewart Johnson, a spokesman for Blue Cross in Boise.

"We're concerned for Idahoans because independent actuarial studies show that provisions in the legislation will increase health insurance premiums by an average of \$2,000 per year for every Idaho family."

But Johnson and a representative of Regence BlueShield of Idaho are hesitant to make many predictions about how the reform will unfold. It is supposed to give health coverage to 32 million uninsured Americans. "It's too early to tell how our business model may change, but we are continually reviewing our products and services and coming up with new and innovative ideas to best serve our members," according to an e-mail from Mike Tatko, a spokesman for Regence BlueShield of Idaho in Lewiston.

Blue Cross' and Regence's handling of health care reform matters to residents of north central Idaho because it will shape how they receive medical services and Regence is one of Lewiston's largest employers.

Health care reform won't change the number of people Regence has in Lewiston, where 654 of its 674 Idaho workers are based, Tatko wrote.

Other variables are less certain. "We don't yet know how the Idaho law exempting the state from a health insurance mandate could change how the federal law affects Idahoans," Stewart wrote.

Another big unknown in Idaho is the outcome of a lawsuit filed against three federal agencies by the state attorney general and his counterparts in 12 other states, including Washington. The suit challenges the constitutionality of health care reform.

Stewart and Tatko both declined to answer questions about the stance of their employers on the litigation, but indicated the insurance providers were working on how to comply with the reform. "Our intention is to move forward with implementation of the law as it is currently written," Tatko wrote.

Exactly what the reform will do is not clear, Tatko wrote. Correcting the system will require the efforts of not just insurance carriers, but medical professionals, hospitals and patients. Regence believes one of the strengths of the reform legislation is the removal of barriers for those with pre-existing conditions. Before the reform, patients with serious conditions such as cancer couldn't be denied medical insurance because of their illnesses, Tatko said.

But they could face higher premiums and waiting periods of as long as one year before getting their pre-existing conditions covered under their new policies if there had been a gap of about two months or more in their insurance in the last year, Tatko said. The details of how that will work are still emerging.

According to Tatko, Regence is concerned that the package should have done more to address skyrocketing health care costs. In the absence of strengthening such measures, "the nation may face a health care cost crisis similar to the financial crisis that has rocked our economy."

About one-third of the medical care Americans use is not supported by medical need, according to Regence's Web site [whatstherealcost.org](http://whatstherealcost.org).

Among the issues in the system are the "fee for service" model where health insurance plans pay for the amount of treatment patients receive regardless of its effectiveness, according the Regence Web site.

And people have little incentive for healthy lifestyle and behavior changes, according to the site. "Treatment of diseases related to tobacco, obesity and chronic illnesses ... sap 75 cents of every health care dollar."