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Business group concerned about health insurance exchange

Fear three largest companies will have too much influence

An Idaho small business group is raising concerns that the state's three large insurance companies could have too large a hand in how Idaho creates a new health insurance exchange. The exchange, part of the 2010 federal health care reform, is intended to help small businesses and individuals compare and pick insurance plans, much like price-comparison websites for airfare or car insurance, but for a more complicated product.

Small business owners that are members of the Idaho Main Street Alliance say letting officials with Blue Cross of Idaho, Regence BlueShield or PacificSource onto a new state board overseeing the exchange would be like letting a wolf guard the henhouse, potentially harming businesses' access to affordable health plans for workers.

"The real job of the exchange must be to benefit small businesses and their employees, not just the health insurance industry," said Emil Hutton, the owner of the Benchmark, an outdoor supply store in Boise.

Hutton provides catastrophic health insurance for his employees, saying that higher costs drive better plans out of his reach. He said that lawmakers and the exchange board need to be impartial referees and hopes the exchange will be a solution to give everyone basic health care.

A working group run by the Idaho Department of Insurance is hashing out legislation to create the new board. State lawmakers will consider the plan next year, and federal law requires the exchange to be online in 2014. The proposed board, likely to see changes, would feature two officials with insurance companies and one small business representative among its 11 members.

Regence BlueShield of Idaho President Scott Kreiling, who serves on the working group, said the insurance companies that offer plans that will be on the exchange have a place at the table, and that the companies won't take over the exchange or the Department of Insurance.

"We're highly regulated today, we'll be highly regulated going forward," Kreiling said at a workgroup meeting Oct. 11. "At the end of the day, [the exchange] is a business that we've got to make sure works."

Sen. Dean Cameron, R-Rupert, who owns an insurance agency, said any conflict of interest by insurance companies would show up in bright red lights. "I don't see any way that a carrier or an agent could game the system or game the decisions made by the board in order to benefit them," he said. Cameron had other concerns with the board makeup, including that almost all the members are appointed by the governor and that small business only had one spot on the board.

Not all business groups share the concerns of the Main Street Alliance, which is part of the Idaho Community Action Network, an organization that promotes economic, social and racial justice.

Insurance exchange draws concerns

“I think it’s foolish,” said Alex LaBeau, the president of the Idaho Association of Commerce and Industry. “I think their statements are ridiculous.” LaBeau said insurance companies should be on the board since similar state boards overseeing other industries include industry members.

The working group is weighing other parts of the insurance exchange board. Rep. Fred Wood, R-Burley, who works as a hospital medical director, said the exchange board needs to function more like a business, and said there may be too many advocates for consumers, including small businesses, on the potential new board.

Cameron said it would be a red flag to lawmakers if the exchange board is able to add staff, including an executive director. He said the exchange legislation will most likely pass the Republican-held Legislature if it maintains a moral high ground of making health care affordable and accessible to more people.

Department of Insurance Director Bill Deal said the plan to make the new board will see many changes before next year. “This is going to be a work in progress until the day it goes to committee, and maybe even after that,” he said.