

Not all welcome proposed NH health 'reforms'

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by Stephen Frothingham
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CONCORD, N.H. — Since New Hampshire reformed health insurance laws nearly 10 years ago, the number of companies offering insurance in the state has fallen and the state has gone from having the third lowest health insurance rates in the country to having the 12th highest.

Some say it's time to reform the reforms.

Republican lawmakers and Gov. Craig Benson support legislation giving insurers more flexibility to set rates for small businesses. They say the reforms would encourage competition and slow premium increases.

"I'm proud that we are one of the healthiest states in the country. Now our health insurance rates should reflect that," Benson told the Senate Insurance Committee on Tuesday.

The legislation would reverse some of the 1994 reforms, which were championed by Jeanne Shaheen, then a state senator.

Critics say the new reforms would lead to higher insurance rates in the North Country and the Seacoast by letting insurers take geography into account when determining rates for small businesses. Health care costs are higher in those areas than in the rest of the state.

The reforms also would allow insurers to consider small business employees' ages, the type of industry and the presence of any major health problems — all factors they were restricted from considering by the 1994 reforms.

Supporters say rate changes resulting from these factors would be held within a narrow band. For example, the rate difference between an insurer's most expensive geographic area and its least expensive could be no more than 15 percent.

The legislation also changes the definition of a small business from having one to 100 workers to two to 50 workers. That would move more businesses into the large group business category, which, according to some statistics, enjoys lower rates. It also would align New Hampshire's definition with that used by 48 other states. Few critics oppose this part of the legislation, which Shaheen supported in 2001.

Before the 1994 reforms, more than two dozen insurance companies offered group health insurance in New Hampshire, according to the state insurance commission. Now there are nine.

The two largest providers, Cigna and Anthem-Blue Cross Blue Shield, have seen their market share increase from 60 percent in 1997 to 82 percent in 2001.

Anthem, the state's largest provider with about 60 percent market share, opposes most of the new reforms.

"It may do some good for some business, but it will hurt others," said Yvonne Nanasi, the company's lobbyist. "We believe the system is working in New Hampshire."

Rate Hike Warning

She said the legislation could lead to rate increases for businesses with employees older than 60, businesses with employees or dependents with serious health conditions, business types including health care, auto repair, transportation, lodging, food service, social services and construction.

She said that even though the rate increase allowed for each factor is limited, a company with multiple negative factors could see premiums increase by 65 to 72 percent over three years.

Paula Rogers, the state insurance commissioner, told the committee it would be unrealistic to expect the legislation to lower rates, but it could slow rate increases.

A fact sheet the commission provided said New Hampshire declining national ranking on insurance costs can be deceptive because costs across the country are tightly clustered, ranging from \$200 to \$225.

"Small differences in premium may result in a substantial difference in ranking. New Hampshire's premiums ... fall that the high end of this tightly clustered range," the commission's fact sheet reads. □