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Health care: Utah insurers turn away healthy kids

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Sandra Bartell left her lucrative job at a Salt Lake City law firm last July, forfeiting its rich health benefits to be a stay-at-home mom.

Finding affordable insurance wouldn't take long, she wagered. "We're young and healthy," said the 37-year-old attorney.

But last month, Regence BlueCross BlueShield of Utah told Bartell that while it would consider covering her and her husband, the couple's 18-month-old-son, Ansel, is ineligible. "Under 19 years of age" was all the insurance company's Sept. 29 letter said.

Bartell believes the rejection was unlawful and filed a complaint with the Utah Department of Insurance. Her son is not the first — nor likely the last — casualty in the months-long battle between insurance companies and federal regulators over the new health overhaul.

At issue is an early provision barring insurers from rejecting kids with pre-existing conditions. Bartell's son is "perfectly healthy," she said, and has seen a doctor only for well-child checkups.

Her dilemma is the fault of poor timing. A debate is under way over whether a rule to help sick children get covered has now limited access for healthy children.

"My understanding is what they're doing is illegal," Bartell said. "If not, it's incredibly callous."

Health insurers have long declined to cover people with chronic health problems. The Affordable Care Act is trying to fix that by prohibiting insurers from rejecting people for having pre-existing conditions — now kids, and later adults.

Insurers in Utah and other states responded by halting the sale of child-only plans.

As a concession to the industry, and to guard against parents waiting to sign up for coverage only when their children get very ill and



Leah Hogsten | The Salt Lake Tribune Sandra Bartell, shown Tuesday, Oct. 12, in Moab with her son Ansel and husband Lou Bartell, recently applied for health coverage for her family. Everyone is healthy, so they didn't expect any problems, especially since under federal health reform, insurers can no longer reject kids, but BlueCross BlueShield rejected her son.

their costs skyrocket, federal officials told insurers they could limit enrollment to certain fixed periods. The allowance was meant to encourage insurers to re-enter the child-only market.

But Utah's two biggest carriers, Intermountain Healthcare's SelectHealth and BlueCross BlueShield, have abandoned that market indefinitely.

The two nonprofits have said they'll take on sick kids only if they can add them to a parent's policy; and balked at doing that until Utah regulators issued a rule requiring them to open enrollment to children twice a year.

In question now is whether the open enrollment periods apply to all children. As of last week, Utah insurance officials were unsure.

But U.S. Health and Human Services Secretary Kathleen Sebelius issued a statement on Wednesday clarifying that both sick and healthy kids should face the same rules.

Bartell understands the logic, but notes her rejection letter contained zero information about enrollment dates.

From her vantage point, Utah law is clear: unless BlueCross BlueShield has opted out of the family market altogether, the company can't just refuse to cover Ansel, she says.

Family advocates agree.

"Insurance companies should welcome kids; they're an attractive, low-cost population," said Lincoln Nehring, a policy analyst at the Utah Health Policy Project. "And nothing in law says they can't charge an appropriate rate. This doesn't have to be a money-losing proposition."

Rather than forge solutions with policymakers, he objects, "They've just decided to stall and drop coverage."

Were Bartell to re-apply during open enrollment in November, there is no guarantee Ansel will be accepted.

BlueCross BlueShield spokesman Mike Tatko wouldn't comment directly on their case, saying only the company remains committed to covering families.

"We also have a responsibility to our existing members," he said. "If there's a situation that we're put in that's going to raise rates for the majority of our members because of a few others, we need to think about that."

Meanwhile, to avoid any lapse in coverage, Bartell is shelling out \$1,300 a month to maintain her employer-sponsored health plan under the federal COBRA law.

"We did everything right," she said. She noted her decision to leave her job was carefully plotted after months of commuting to Moab on weekends to be with her husband, who was building a hot air balloon company there.

The scope of the problem in Utah is unknown, but other families are facing the same dilemma.

Todd Pfortmiller, 41, retired from his dental practice in Colorado and moved to Utah last month to be near the Huntsman Cancer Institute, where he's being treated for stage four colon cancer.

Soon after arriving, he learned the Colorado Dental Association, through which he and his family are insured, is dropping its policy.

He will qualify for coverage under Utah's high-risk pool. So would his wife, Nancy, who has an auto-immune disease.

But the Pfortmiller's three children are healthy and don't qualify for the pool.

So finding a private policy for Nancy is now her children's only hope of getting coverage.

The family has already received a rejection letter and time is running out; their current policy expires in November.

"I'm trying not to let them get concerned, but they understand a little about what's happening," Nancy Pfortmiller said.

The family planned well for retirement, but with mounting medical expenses, the money won't last forever.

Colorado insurers still offer child-only plans.

But moving back would mean taking a loss on their Cottonwood Heights home, which they purchased last month.

"For now, money is not a problem," said Nancy Pfortmiller. "But money can't buy you health coverage."

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Solutions

Nothing in the Affordable Care Act allows federal officials to require that insurance companies sell certain products. But some states have found ways to pressure insurers to sell child-only plans.

- California Gov. Arnold Schwarzenegger recently signed legislation barring insurance companies from selling any individual policies in the state for five years if they refuse to sell child-only policies.

- Criticizing Regence BlueCross BlueShield for hiking premiums and dropping child-only policies, Rep. Maria Cantwell, D-Wash., has proposed excluding the company from the state's health insurance exchange when it comes online.

- Maine, Massachusetts, New Jersey, New York and Vermont already prevent discrimination against children and others with pre-existing conditions.

- About a dozen states allow middle-income families to buy into the low-income Children's Health Insurance Program (CHIP), charging them a full, but fair premium.

Sources: News reports and U.S. Department of Health and Human Services

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