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Is the end in sight for exorbitant health premiums?

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Zara and Russ Juillerat's monthly health insurance premium has more than tripled in five years, from \$599 in 2006 to \$1,873 in 2011.

It's their biggest expense — higher than the average mortgage payment in Utah — and one that the Holladay couple feels powerless to do much about.

"We don't know who to blame — insurance companies, medical costs, pharmaceutical companies ... the list goes on," said 55-year-old Zara. "I'm not sure how much longer we can take it."

Federal health reform promises some relief.

Starting Sept. 1, Utah regulators will have to scrutinize rate hikes of 10 percent and higher to determine if they're justified. Only plans that cover just under a third of all insured Utahns — those with individual and small group policies — are subject to review; large-employer plans are not.

Regulators must also publicize excessive rates, which insurers have likened to public shaming, but the Obama administration supports the measure as a way to inform and empower consumers.

"Strong and transparent rate review processes are necessary to help bring down costs for consumers," said Steve Larsen, director of the U.S. Center for Consumer Information and Insurance Oversight, in a prepared statement.

Health insurance companies are reporting some of their highest profits in years, fueled in part by cost-conscious policyholders forgoing or delaying medical care.

But premiums continue to soar. They've doubled on average over the past decade, much faster than wages and inflation, putting coverage out of reach for millions of Americans and business owners.

People with individual policies such as the Juillerats, who are self-employed and nearing retirement age, are especially vulnerable to price swings.



Margaret Distler | The Salt Lake Tribune Russ Juillerat feeds a treat to their dog Colby while his wife, Zara, prepares tomatoes in their Holladay home on Thursday. The couple's health insurance premiums have more than tripled from \$599 a month in 2006 to \$1,873 in 2011.

Their rates rose 26 percent this year, 21 percent last year and 27 percent the year prior.

But whether such increases will be judged as fair or exorbitant depends on how states enforce the new federal standards — which some have embraced more heartily than others.

Missouri doesn't require insurers to file rate hikes, nor does it have the authority to approve or reject them. It's among seven states that have forfeited regulatory control to the federal government.

On the other end of the spectrum is Oregon. Heralded by the White House for its strong rate regulation, the state publishes and accepts consumer comment on all premium increases, and holds public hearings on those above 10 percent. Regulators there recently forced Regence BlueCross BlueShield to lower a proposed 22.1 percent rate increase to 12.8 percent.

Utah falls somewhere in between.

The state Department of Insurance is making strides toward enhancing its reviews, said health insurance division director Tanji Northrup.

With a \$1 million federal grant, Northrup's division has devoted more staff to the task and is hiring an actuary. The group now examines every increase filed, she said.

Previously, Northrup was the sole reviewer and rates were only inspected when a consumer complained or something stood out as obviously illegal. Regulators last year audited 52 of 144 filings, Northrup said. Of those, 31 were disapproved or resulted in lower rates.

The state won't disclose which companies and rates merited review or reversal. Rate filings are considered confidential under Utah law.

But that will change with the launch of an online "transparency" portal. When an insurer files a rate hike of 10 percent or more, regulators will post it on the Web portal, inviting consumers to comment. They will also publish consumer satisfaction ratings.

"It will be a great shopping tool for consumers. They can look at an insurance policy's history of increases, see if they're paying claims on time and whether people are happy with the plan," Northrup said.

No launch date has been set, but Northrup said, "we're working fast and furious." For now Utah has no plans to hold public hearings, though that could change as "all this evolves," she said.

Consumer advocates, however, question whether a website is enough to arm consumers against unreasonable rates.

Most consumers have a fatalistic view of health costs, few know they can complain and those mad enough to file grievances don't always know where to go, said Shelly Braun, reform initiatives director for the Utah Health Policy Project, a pro-health reform consumer advocacy group.

And there are no hard, fast rules dictating how regulators will vet increases, Braun said.

Oregon regulators benefit from "strong statutes" allowing them to weigh everything from a plan's design to an insurance company's profits and the amount it collects in premiums compared to what it spends on actual medical care, said Oregon Insurance Department spokeswoman Cheryl Martinis. "Companies need to set rates high enough to cover claims. But on occasion we have approved rates that might require a company to draw on its surplus, especially during the recession when insurers were benefitting from people delaying care."

The state's first public rate hearing in 20 years, held last June, drew more than 150 consumers. Oregon also has an independent consumer group to represent lay people who aren't familiar with insurance law and actuarial tables, said Martinis.

There is no such group to speak on behalf of Utah consumers. But Northrup said reviewers here are authorized to dig deep and give rates the scrutiny they deserve.

But help may be too little, too late for the Juillerats, who have grudgingly shouldered their insurance costs, thinking they had no recourse.

Both are healthy and active. Russ said he can't remember the last time he was sick.

They've been covered for years by Regence BlueCross BlueShield, but can't change companies because of Zara's rheumatoid arthritis. "It's like being held hostage," said Zara.

Russ called the insurer and was told their policy is no longer being sold. "They said our rates have gone up because the pool of people on the plan has shrunk as others have left for low-cost, high-deductible plans," he said.

Russ is three years from qualifying for Medicare. Meanwhile, he's crunching numbers to determine if he, too, should move to a high-deductible plan.

"The whole system is so complicated," said Russ. "Anyone I've talked to just throws their hands up in the air. It's just overwhelming."

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Help for consumers

O File a complaint with Utah's Insurance Department > 1.usa.gov/oIAuIT

Get information on new federal rate review requirements > 1.usa.gov/gUQ9be

See how Oregon helps consumers. > oregonhealthrates.org

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