

Feinstein wants review of insurance rates

Victoria Colliver, Chronicle Staff Writer

Saturday, February 20, 2010



Sen. Dianne Feinstein said Friday she'll introduce legislation next week that would give the federal government the power to review and deny large rate increases by health insurers in states like California that lack the authority to regulate premium increases.

Feinstein, D-Calif., has joined President Obama and other elected officials in seizing on the proposed 39 percent rate hikes proposed by Anthem Blue Cross on some of its individual members in California to reenergize the debate over national health legislation.

"This is unconscionable," Feinstein said in a statement about Anthem's increases. "It places a huge burden on people who are already struggling in these tough economic times, including the estimated 700,000 Anthem Blue Cross policyholders in California."

Feinstein's legislation would give the secretary of Health and Human Services regulatory power over insurers in about half the states in the country, those that currently do not have such authority. It would also create a Medical Insurance Rate Authority, a board that would include consumers, health industry officials and doctors, to serve as an advisory panel to the secretary.

Anthem Blue Cross, a subsidiary of WellPoint Inc., was set to raise rates March 1, but agreed to delay the hike until May to give the state Department of Insurance time to investigate. California has virtually no power over rates, other than the ability to deny insurers that spend less than 70 percent of premium dollars on medical benefits the license to sell policies in the state.

The state Department of Insurance said Feinstein's proposal creates another level of "unneeded bureaucracy" without addressing the problem of ever-increasing health costs.

Department spokesman Darrel Ng said Commissioner Steve Poizner supports measures such as allowing consumers to purchase insurance across state lines and reducing the mandates on health insurers.

A state Assembly committee has scheduled a hearing Tuesday to discuss the rate hikes, which are not just limited to Anthem. A congressional hearing on the topic will be held Wednesday, a day before Obama's high-stakes health summit.

Health insurers also face regulatory legislation from state lawmakers. Assemblyman Dave Jones, D-Sacramento, has already announced he plans to reintroduced a failed bill to require that health insurance premium increases be approved by state regulators. Sen. Mark Leno, D-San Francisco, plans to propose a bill to require health insurers to disclose their reasons for raising rates and for denying coverage to applicants.

E-mail Victoria Colliver at vcolliver@sfnchronicle.com

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/02/20/BAC21C4E0L.DTL>

This article appeared on page **C - 1** of the San Francisco Chronicle

© 2010 Hearst Communications Inc. | [Privacy Policy](#) | [Feedback](#) | [RSS Feeds](#) | [FAQ](#) | [Site Index](#) | [Contact](#)