



## Employee Benefits

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Employee Benefit Consultants and Administrators

## For Your Benefit

### Diagnosing the Ills of Health-Care Coverage

by Jane C. Parikh

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Employee-benefits experts say there is no immediate end in sight to continual increases in health-care premiums, and a lot of people are to blame for that.

"As consumers we keep asking for more and more to be covered," said Gary Kushner, president and chief executive officer of Kushner and Co., a Kalamazoo-based employee benefits consulting and administration firm. "We want every lab, doctor and facility in-network (included in an individual's health-care plan)."

That does not help keep costs down, he said.

At the same time, market rules in Michigan allow commercial-insurance carriers to "cherry pick" good-risk customers and avoid bad-risk customers through their rating practices, said Richard T. Cole, spokesman for Blue Cross Blue Shield of Michigan.

If a company has employees with chronic illnesses like diabetes, it might have trouble finding an insurance Rob Fowler, vice president of small-business insurance services with the Small Business Association of Michigan, agreed.

"If you're an employer and you have 10 healthy employees and one who's sick, there's only one insurer who will take you," he said.

Though "employers don't and shouldn't think about the health of an employee or their family when hiring," small companies' capacity to choose among insurance companies lasts only until someone gets sick, he said.

Fowler said he would start fixing the system by looking at rating rules in Michigan.

Julie Smith, spokeswoman for the Michigan Office of Financial and Insurance Services, said reform legislation is being considered to level the playing field between BCBS and other insurance companies. The current disparity is affecting the rates charged for coverage.

"Part of the reform is looking at letting insurance companies use different kinds of ratings," Smith said. "We need to ... bring some more options into the marketplace."

She said there's not much that can be done in the meantime about rate increases, and she expects the cost of health care to continue to rise.

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