

# Insurance Commissioners Loom Large In Health Law

by SARAH VARNEY



Justin Sullivan/Getty Images

Steve Poizner, California's insurance commissioner, forced health plans to scale back double-digit rate hikes. But people still don't know his name.

November 1, 2010 from KQED text size **A** **A** **A**

Voters don't give much thought to who runs their state department of insurance. But as key provisions of the new federal health law begin to take effect, the insurance commissioner will become the king of a much bigger kingdom.

Voters in four states, including Georgia and California, will directly elect an insurance chief on Tuesday. And in nearly three dozen other states, whoever is elected governor will name the commissioner.

Fame does not come easy to even the most heroic insurance commissioner. California's current chief forced health plans to scale back

double-digit rate hikes, and still he's the white knight no one can name.

Steve Poizner is the California insurance commissioner, and whoever replaces him — and other insurance chiefs around the nation — could change your life.

"With the insurance market reforms, it's really going to be important for states to take a proactive role in responding to any problems that come up and making sure plans are complying with the law," says Sabrina Corlette, a health policy researcher at Georgetown University.

## New Consumer Protections

She says that under the federal health law, state insurance chiefs will have a long list of new consumer protections to enforce. For example, starting in 2014, health plans can't charge women or sicker people more.

They're also helping to write the regulations for their own expanded powers. Congress left it up to an obscure group — the National Association of Insurance Commissioners — to essentially decide critical details, such as what health plans can claim as actual medical care vs. administration and profit.

Corlette says this decision made these humble regulators very popular with industry lobbyists at their spring meeting.

"I was stunned to discover that there were about 17 consumer representatives that were focused on health care, compared to over 1,000 different insurance industry representatives," she says.

Consumer advocates and industry officials say once the rules are written, state regulators will have to crack down on health plans looking to exploit fuzzy rules or weak enforcement. At the same time, if they're too heavy-handed, the plans might leave the market.

## State Impact On Federal Health Overhaul

All of which means state insurance chiefs could very well play a key role in whether the federal health overhaul flies or flops. Laurie Sobel, a senior attorney with the consumer advocacy group Consumers Union, says it matters how the insurance commissioners view the new federal health law.

"If you have one that really doesn't want to enforce it, then consumers are going to need to fight it every step of the way," Sobel says.

The two candidates vying to become California's chief regulator have starkly different views on how best to protect consumers. Assemblyman Mike Villines, the Republican in the race, is a skeptic about whether the government can fix a system he admits is broken.

"When you start to get into mandating behavior and you have to tell the insurance companies there are these for-sure things in here that you have to do — I think that Californians and the nation is not quite ready for that," Villines says.

His opponent, Democratic Assemblyman Dave Jones, says the federal overhaul will offer critical protections and new choices to consumers.

"I plan to use the office both formally and informally, to take a very assertive role in terms of health insurance reform," Jones says.

### Bad News For Reformers?

Overseeing the national rule-writing effort is Kansas Insurance Commissioner Sandy Praeger. She's up for re-election — a Republican in a solidly red state and running unopposed. With no challenger, she's instead spending her time worrying about all the details her group must decide.

"I don't want to get thrown under the bus," Praeger says. "We don't want to be blamed if this isn't working. So we've got a huge responsibility to try to get it right.

But many Republican candidates for governor think the law is just wrong. And in some states, those candidates — who could end up appointing new insurance chiefs — want to repeal the federal health overhaul.

With Democrats on the ropes nationwide, that could be bad news for reformers.

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Recent First



**Charlie Rush (RobinDaHood)** wrote:

@Ms. B G. (Blaxx) Sounds like your full of fox news fuel. Take that energy and do something good for humanity with it, you won't regret it.

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**Glenn Farwell (Shiftyone)** wrote:

Please note- fellow consumers- we are not paying \$7.00 per gallon for fuel at the pump!! Health care comes at a price- be it at the pump or insurance premiums.

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**Rebecca Hansbrough (spidergirl24)** wrote:

I am so glad that NPR reported on this little heard but very influential office that only generates media coverage when insurance rate increases are announced. Voters might not follow the actions of The California Commissioner but interest groups do and sound the alarm based on what side of the rate hike the officer holder stands. It scary how some states are looking to use the office to empower the insurance lobby and industry.

Mon Nov 01 2010 13:54:55 GMT-0400 (Eastern Daylight Time)

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**T Phillips (OrdoAbchap)** wrote:

Most developed countries have universal healthcare coverage. And it's not only the rich intelligent european countries. Argentina and Brasil have it too, even though many Americans think they're 'undeveloped'. Brasil has some of the best surgeons in the world. Why are we ok with insurance and drug companies making so much money off of us? Maybe the 'invisible hand' has pulled the 'wool over your eyes'

Mon Nov 01 2010 13:36:19 GMT-0400 (Eastern Daylight Time)

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**Tell Me (WhatToThink)** wrote:

So much declaration of fact about what the law will and won't do, how it will play out financially, etc. The reality is that we won't know until it kicks in in full measure and the wheels start turning. All anyone knows, or thinks he knows, is what the law is supposed to do (when viewed as a whole). I have no doubt that it will end up being a financial mess given that there are no real clear cost control measures of care itself and perhaps that will lead to a single payer system, for better or for worse. As to being deficit neutral, well, I have

about as much faith in that as I do a defense contractor's estimate of a per unit cost on a new weapon system. It is what it is and we shall see how well it does or doesn't work.

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**Ms. B G. (Blaxx)** wrote:

"jim shuler (blueridge) wrote:"

Your comments are the types of hulas you hear from people who have no clue how a bill is written. Any bills that addresses a multi-complex issues such as health care is bound to be long. The definitions alone (that's where the pages provides definitions from the what the entities addressed in the bill to what health insurance companies means) comprises of layers of pages much less an actual definitions of what the new laws that are in the bill. Instead of just talking, why not skim through the pages and see if you think is not worth it. Don't let someone else with an agenda tell you what to think, read it yourself. Flip through the definition and get to the meat of the bill.

Mon Nov 01 2010 13:21:19 GMT-0400 (Eastern Daylight Time)

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**MiMi Diva (MiMiDiVa)** wrote:

Where is the neutrality in healthcare!? Health and wellness of the human population in the US, should not be divided on party lines...although it is!

This is why scandanavian countries,France,England and Japan are so far ahead of the US when it comes to healthcare.No one is denied or goes in debt either!

It's not socialist medicine its providing a human nescesstiy. The healthier your population is,the better your country.

SHAME on U.S.

Mon Nov 01 2010 13:18:23 GMT-0400 (Eastern Daylight Time)

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**Ms. B G. (Blaxx)** wrote:

"lola brickada (lola1) wrote: The ObamaCare policy was just a way for democrats to buy votes for Nov and beyond. I don't think that Obama could have imaged that middle class white people (tea party) would protest. That's not typically."

You have no clue what you are talking about. Do you even have a health plan? If you do, you know the difference btw PCP and PPO. The New Health bill does not stipulate what insurance people should get. It gives the state Insurance office more authority to not allow insurance companies to raise rates. I have health insurance through my job and each open enrollment for the last five years, our premiums have continued to rise up and our salaries less. I have not gotten a raise in ten years, but my premiums have increased. With this new bill, the premiums will be less. That to me is a plus. For those who do not have insurance, they will have to buy it through an insurance exchange. When a group of ten people purchase a package, the individuals cost is less than when one person buys a package. That is the idea of the exchange. What we have now is that uninsured people visit the emergency rooms and each visits is attached a cost, those costs are transferred to people like me who have insurance and we are paying higher premium to subsidized the uninsured. With this new bill, everyone will be insured that would no longer be an issue. Also, insurance companies can no longer deny coverage for people with a history of a condition for example cancer. If a person is diagnose with cancer, they can get insurance and would not be denied or charge more because of their condition. Students or younger people who are on their parents insurance cannot be taken off once they turn 18 years old, they get to stay on until age 26. This is some of the highlights. Yes, I was disappointed that we did not get the public plan, but this is better than the status quo. The idea of trading health insurance on the stock market has never settled well with me and that was what we had. United Health Care, Blue Cross Blue Shield are all trade. Is almost like making money

off of sickness/disease/death. Most civilized Countries like the UK, Canada, China, Japan all have national health service of some sort and they do not call it Obamacare or Socialist or Marxist medicine...that was the fear tactics that was used to confuse people like you who seems to shy away from getting the facts. Is simple called simply taking care of its citizens who pay taxes.

Mon Nov 01 2010 13:13:06 GMT-0400 (Eastern Daylight Time)

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**Ms. B G. (Blaxx)** wrote:

"Robert Seidner (restop) wrote: Why the Health Care plan is not working?..."

People like you Robert, just gets me all fired up. Talking without the facts. The health bill have not been fully implemented yet. The first ones have to do with canceling out the insurance companies policy of not insuring people with "existing condition". That policy is out the door. Insurance company can no longer say because a person had a history of cancer, they would not insure them. The other is having college students who are on their parents insurance until age 26. The bulk of what was approved such as patients' bill of rights, reducing premiums, and others are still in the works, including the insurance exchange. You must get your information correct before you go on the attack. Some of the changes will not take effect until 2014.

Mon Nov 01 2010 12:56:07 GMT-0400 (Eastern Daylight Time)

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**Ms. B G. (Blaxx)** wrote:

About time the State Insurance office have some b--- to really do something. Our state insurance office often sends out letters to customers who have complaints about health benefits saying that they are sorry they have no authority. Now that would no longer be the case. Finally, a pragmatic approach to a situation. No more unnecessary increases based on other people's illnesses.

Mon Nov 01 2010 12:48:27 GMT-0400 (Eastern Daylight Time)

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