



Childlike behavior ignores realities of insurance for kids

By Jim Waters

Kentucky's Insurance Commissioner recently pitched a hissy fit that any 2-year-old denied its toy would envy because health insurers decided not to issue new "child-only" policies days before parts of the new **Patient Protection and Affordable Care Act** became law on Sept. 23.

Why? Because Sharon Clark doesn't understand: Health insurers cannot raise taxes or just print new money to plug budget shortfalls. They must reap profits to stay in business.

So insurers did what Congress failed to do before passing **health care reform**: *They read the law* and discovered it prohibits private insurers from denying a "child-only" policy because of pre-existing conditions.

Such prohibitions sound noble and make insurance companies refusing to issue such policies appear scarier than Frankenstein on Halloween.

Not surprisingly, it's also what Clark focused on in a statement in which she professes distress about "the effect this (insurer decisions) will have on Kentuckians, particularly children with pre-existing health conditions . . ."

She overstates the concern about children with pre-existing conditions.

- Insurers are not canceling existing child-only policies.
- They will honor policies in hand for children — even those with pre-existing conditions. They just won't write new child-only policies.

"But it's indicative of one of the new health care law's fundamental contradictions: Insurers are expected to both abide by new rules, which could prove costly, and not significantly change their prices or services in response to them," writes Peter Suderman, associate editor of Reason magazine.

For insurers, such contradictions reflect singularly on cost, not politics.

Insurers — including Louisville-based Humana Inc. — changed their "child-only" policies because parts of the new health care bill now in effect would have allowed parents to essentially apply for coverage in the ambulance on the way to the hospital and cancel it once the crisis ended.

Suderman also addresses the cycle of such unintended consequences: "That would drive up expenses for child-only policies, which would push more people out of the insurance pool, which would further drive up coverage costs, and so on and so forth spinning faster and faster until the **out of control merry-go-round** has thrown off just about everyone."

Wasn't Washington's new federal health care mandate supposed to slow the merry-go-round down so that more people could get on and stay on?

Clark said that she fears “an influx of new members” in Kentucky Access, the commonwealth’s high-risk pool. She said such additional demands “are not in the public interest.”

Of course, I wonder if Clark and her ilk in Congress ever considered that unprecedented federal intrusion into 17 percent of the private sector’s economy might not exactly serve “the public interest,” either.

One thing’s for sure, whatever happens with the “child-only” policies is peanuts compared with what awaits in 2014 when the federal health care law’s price controls include everyone.

Experts say these new government regulations will make it impossible for insurers not to avoid insuring the sick — at least not if they want to stay in business.

“Look for insurers to avoid, mistreat and dump the sick by marketing themselves only to healthy people, skimping on claims processing and customer services, and dropping benefits that sick people value – not because insurers are heartless, but because that is what Obamacare rewards,” wrote Cato Institute’s Michael Tanner.

A number of other insurers have filed requests with states seeking up to 9-percent increases. Anthem Blue Cross and Blue Shield of Connecticut says the new health care law’s mandates are driving up premiums of many of its customers by nearly 30 percent.

Part of Clark’s fact-finding agenda should include letting Kentuckians know how she plans to protect the commonwealth from further health-insurance assaults by Washington, which makes many Kentucky taxpayers — and voters — fume.

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