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## Democrats Call Insurance Industry Report Flawed

By [ROBERT PEAR](#) and [DAVID M. HERSZENHORN](#)

WASHINGTON — Obama administration officials and Congressional Democrats fired back on Monday at a new insurance industry report that said premiums would climb sharply with the passage of comprehensive health legislation.

The report said selected provisions of a bill from the Senate Finance Committee could increase premiums 18 percent more than they would otherwise rise in the next decade, to an average of nearly \$26,000 for families and \$9,700 for individuals in 2019.

If the committee approves the bill on Tuesday, as Democrats expect, Senate leaders plan to combine it with another Senate bill and take the package to the Senate floor, for a debate that could begin this month.

Democrats were eager to discredit the report, issued Sunday by Karen M. Ignagni, president of America's Health Insurance Plans.

Reid H. Cherlin, a White House spokesman, said: "This is a distorted and flawed report from the insurance industry and cannot be taken seriously. This so-called analysis appears on the eve of a vote that may eat into the insurance industry's profits. It conveniently ignores policies that will lower costs for those who have insurance, expand coverage and provide affordable insurance options to millions of Americans."

White House officials said the industry had ignored features of the bill that would lower costs for consumers, like subsidies for people who could not afford insurance. The report, by PricewaterhouseCoopers, acknowledges, "We have not estimated the impact of the new subsidies."

While supporters and opponents make conflicting projections, the nonpartisan [Congressional Budget Office](#) has said it cannot calculate the "net effect" of the proposed legislation on overall health care premiums because there are too many uncertain factors.

Administration officials said they believed they had co-opted the industry this year by enlisting insurance executives in [President Obama](#)'s campaign to slow the growth of health spending.

Even as insurance executives maintained an outward show of cooperation, they expressed concern about unintended consequences of the bills taking shape in Congress, including the one written by Senator [Max Baucus](#), Democrat of Montana and chairman of the Finance Committee.

In July, Speaker [Nancy Pelosi](#) of California called insurers "villains" and "almost immoral." Senator [John D. Rockefeller IV](#), Democrat of West Virginia, said insurers were "getting away with banditry," and on Monday he called them "the greatest impediment to real [health care reform](#)."

[Nancy-Ann DeParle](#), director of the White House Office of Health Reform, said she was surprised by the report because she met last week with Ms. Ignagni and they vowed to work together.

But the findings were no surprise to Republicans.

Senator [Michael B. Enzi](#), Republican of Wyoming, said, "This report confirms what I have been saying all along: the combined impact of new taxes, mandates and entitlement expansions in the Baucus bill will substantially increase the price that many Americans pay for their [health insurance](#)."

The senior Republican on the Finance Committee, Senator [Charles E. Grassley](#) of Iowa, said he had been warning that the bill "will lead to higher premiums."

Mr. Baucus has been engaged in a yearlong effort to woo health care providers and insurers. His aides have told lobbyists that criticism of the bill would be viewed as a hostile act.

The vehemence of the reaction from the White House and Congressional Democrats also reflects a concern about public opinion. If millions of people with insurance conclude that their premiums will go up, that could undermine chances for passage of comprehensive legislation.

Ms. Ignagni said her biggest concern was that the bill would require insurers to accept all applicants for several years before the government had any meaningful way to enforce a requirement for people to have insurance. In that gap, Ms. Ignagni predicted, many people with health problems are likely to enter the market.

*Sheryl Gay Stolberg contributed reporting.*

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