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Obama to Urge Oversight of Insurers' Rate Increases

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WASHINGTON — [President Obama](#) will propose on Monday giving the federal government new power to block excessive rate increases by [health insurance](#) companies, as he rolls out comprehensive legislation to revamp the nation's health care system, White House officials said Sunday.

The president's legislation aims to bridge differences between the bills adopted by the House and Senate late last year, and to frame his debate with Republicans over health policy at a televised meeting on Thursday.

By focusing on the effort to tighten regulation of insurance costs, a new element not included in either the House or Senate bills, Mr. Obama is seizing on outrage over recent premium increases of up to 39 percent announced by Anthem Blue Cross of California and moving to portray the Democrats' health overhaul as a way to protect Americans from profiteering insurers.

Congressional Republicans have long denounced the Democrats' legislation as a "government takeover" of health care. And while they are likely to resist any expansion of federal authority over existing state regulators, they will face a tough balancing act at the meeting with the president to avoid appearing as if they are willing to allow steep premium increases like those by Anthem.

Republican leaders had not formally accepted the president's invitation to the meeting. But the Senate Republican leader, [Mitch McConnell](#) of Kentucky, said on Sunday that he would attend. "I intend to be there, and my members will be there and ready to participate," Mr. McConnell said on Fox News Sunday.

The president's new provision also seemed to offer Republicans an opening for a new line of criticism — that Mr.

Obama and Democrats are anticipating the possibility of hefty price increases for health insurance even after their big legislation is adopted.

Mr. McConnell said the president, in proposing a new version of the Democrats' legislation, seemed to prejudging the outcome of the session. "If they are going to lay out the plan they want to pass four days in advance," he said on Fox, "What are we discussing on Thursday?"

The White House has held details of Mr. Obama's bill extremely tight, leaving even top Democrats in Congress anxiously awaiting the text to be released Monday. But administration officials said it would incorporate legislation proposed last week by Senator [Dianne Feinstein](#), Democrat of California, in response to the Anthem increases. Officials said it would "help make sure that people are not unfairly subject to arbitrary premium hikes."

Anthem, California's largest for-profit insurer, has announced premium increases for nearly 700,000 customers, citing the soaring costs of medical care and the effects of a weak economy in which many younger and healthier people are dropping insurance. But the increases, far outpacing the rate of medical inflation, led to outrage among officials in Sacramento and Washington.

The Obama administration has sought to portray the situation as a warning of what could happen to many more Americans if Congress does not act to overhaul the health system.

The president's bill would grant the federal health and human services secretary new authority to review, and to block, premium increases by private insurers, potentially superseding state insurance regulators. The bill would create a new Health Insurance Rate Authority, made up of health industry experts that would issue an annual report setting the parameters for reasonable rate increases based on conditions in the market.

Officials said they envisioned the provision taking effect immediately after the health care bill is signed into law.

The legislation would call on the secretary of health and human services to work with state regulators to develop an annual review of rate increases, and if increases are deemed "unjustified" the secretary or the state could block

the increase, order the insurer to change it, or even issue a rebate to beneficiaries.

The new rate board would be composed of seven members, including consumer representatives, an insurance industry representative, a physician and other experts like health economists and actuaries, the White House said. The board's annual report would offer guidance to the public and states on whether rate increases should be approved.

But the focus on rate increases is also spotlighting questions about whether the Democrats' plans do enough to control rising health costs. Anthem and other insurers say they do not.

And it is unclear if the new powers or the rate board would have much long-term impact. The Democrats' legislation ultimately seeks to sharply curtail the existing individual insurance market in which companies like Anthem Blue Cross now sell their policies. Instead, such policies would be heavily regulated by the federal government and sold through new insurance exchanges, where consumers could compare prices and benefits packages and choose policies that best fit their needs.

The president's bill, like the measures adopted by the House and Senate, is expected to require most Americans to obtain insurance, and would provide new federal subsidies to help moderate-income people afford to buy private coverage.

And though Americans have heard officials in both parties talk for nearly a year about "President Obama's health care plan," the legislation unveiled on Monday will actually be the first comprehensive proposal put forward by the White House.

Senator Feinstein, in an interview, pointed to the \$12.2 billion in profits reaped by the five biggest private insurers in 2009. "When you look at the profits in '09, up 56 percent over the year before," she said, "you begin to understand that something is going on that is not in the interests of the American people."

Ms. Feinstein said that only 25 states allowed their insurance commissioners to regulate rates and that California

was not one of them. “For the life of me, I am not sure why not,” she said. “The time has come for the secretary of health and human services to step into this.”

Mr. Obama has portrayed Thursday’s meeting as a chance to break the partisan gridlock that has stalled any progress on health care this year. He has called on the Republicans to come forward with proposals of their own.

But absent some dramatic turnabout by Republicans, Democratic leaders will have only one other possible path — approving changes to the Senate bill by attaching them to an expedited budget measure, precluding a Republican [filibuster](#) in the Senate. Even many Democratic lawmakers are skeptical that the complex health care legislation can be moved through using that parliamentary maneuver.

And many have been reluctant to say they would support a compromise measure without first knowing what was in it.

Leaders of the [National Governors Association](#) meeting in Washington on Sunday expressed frustration that they had been largely shut out of negotiations over the future of the health care system, even though they would be responsible for carrying out many of the changes envisioned by federal officials. They said they wanted more of a voice in shaping those changes.

“It’s important that governors be at the table and bring our perspective to the debate,” said Gov. Jim Douglas of Vermont, a Republican who is chairman of the National Governors Association.

Mr. Douglas said governors were deeply involved in discussions with Congress and Mr. Obama on the economic stimulus law adopted early last year. But he said, “We have not had that kind of relationship in the current debate” on health care.

Gov. Phil Bredesen of Tennessee, a Democrat, said: “Governors have something unique to contribute.

Washington, D.C., is full of think tanks, theoreticians and advocacy groups. Governors are the ones whose feet

are on the ground. We have a sense of what will work and what won't work. Our perspective is not the only one. But we can bring some practicality to this discussion.”

Mr. Douglas, Mr. Bredesen and two other governors — Joe Manchin III of West Virginia, a Democrat, and Michael Rounds of South Dakota, a Republican — spoke at a news conference at the winter meeting of the governors association. They and other governors plan to convey their concerns to Mr. Obama at a White House meeting on Monday.

Sheryl Gay Stolberg contributed reporting.

An earlier version of this article mistakenly referred to the program Mitch McConnell appeared on as Fox News.

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