



**MICHIGAN**  
**CHAMBER**  
*of Commerce*

**MEMORANDUM**

To: Members of the Senate Insurance Committee

From: Wendy Block, Michigan Chamber of Commerce

Subject: Michigan Chamber Supports Modernizing Health Insurance Marketplace (SBs 61 and 62)

Date: January 29, 2013

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We are writing to voice our support for the plan to modernize Michigan's health insurance marketplace by transitioning Blue Cross Blue Shield of Michigan (BCBSM) into a nonprofit mutual insurance company, Senate Bills 62-62.

Given the provisions of the federal Affordable Care Act (ACA), BCBSM's current governance structure, unique regulatory treatment and \$100 million per year tax-exempt status no longer makes sense for Michigan. SBs 1293-94 would level the playing field for insurance carriers, allowing them to operate under one set of regulatory rules.

The health insurance marketplace is currently in a state of transition due to the ACA. And although no one can predict what will happen to market share if these bills are signed into law, this proposal encourages competition by creating one set of rules under which all carriers can compete. It encourages market speed and innovation by allowing a more timely review of rate filings. It ends the cross-subsidization of Medigap policies by purchasers of group policies (businesses). And it promotes a healthier population by transitioning BCBSM's nonprofit/social mission into a new entity that will invest in health and wellness initiatives.

Last session lawmakers sought to address many of the concerns raised in testimony by limiting use of most favored nation clauses, setting parameters for the Michigan Health and Wellness Foundation and disbursement of the \$1.5 billion BCBSM contribution. We support these revisions (incorporated in SBs 61-62 as introduced) because the language does not try to manipulate the market in favor of other carriers; instead, it works to level the playing field and gets government out of the way, thereby allowing purchasers to make individual purchasing decisions.

We urge your support of SBs 61 and 62. Please let me know if you have any questions or would like to discuss this issue further at 517/371-7678 (office), 517/927-5135 (cell) or [wblock@michamber.com](mailto:wblock@michamber.com).