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Health reforms kick up for 2011

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Kayleen Johnson's biggest worry in college isn't always her classes: It's making sure she's always enrolled full-time so she doesn't lose her health insurance.

With allergies and chronic stomach problems, Johnson, 23, a Wayne State University student from Riverview, will benefit from one of the most sweeping provisions of federal health care reform: being covered on her parent's insurance until she's 26.

The majority of Michigan's insurance plans are adopting big changes this year, according to the state's Office of Finance and Insurance Regulation. Now, most policies won't dump dependent children as soon as they're out of school.

"I told her she had to keep going to college. ... You have to stay full-time," said Kayleen Johnson's mother, Karen Johnson, a school administrator.

The changes are a big relief for the younger Johnson, who recently was hospitalized for a severe reaction to medication. "I don't know how well I'd be right now if I didn't have health insurance," she said.

Health reform: 2010 changes give seniors a boost

Many Michigan residents will see sweeping changes in their health care plans beginning this week.

State-regulated health insurance plans in Michigan are meeting requirements under the new federal health care reform law, a spokesman with the state's Office of Financial and Insurance Regulation said.

The majority of policies in Michigan began implementing those changes Saturday, the beginning of a new enrollment year, Jason Moon, a spokesman for the office, said last week.

The Office of Financial and Insurance Regulation began surveying insurers after Sept. 23, when many of the requirements went into effect under the Affordable Care Act, he said. "We ... found everyone in compliance," he said.

But if consumers want to make sure health care reform works for them, that means maintaining vigilance and taking an

extra look at your changed policy, said Jennifer Tolbert, a health policy expert at the Kaiser Family Foundation, a nonprofit based in Menlo, Calif., that is focused on health care research.

"A lot will have to do with the savviness of the consumers," she said.

Even though it's a federal law, health reform regulation is largely left up to the states. And the states often hear about problems from consumers, she said.

In Michigan, the Office of Financial and Insurance Regulation, which already had oversight of state-regulated policies before the new law was signed in March, is enforcing the provisions.

Among those changes: coverage that extends policies to dependent children until they are 26. Children can live outside the home, don't have to be attending college and even can be married. It applies to biological children as well as stepchildren, children adopted or placed for adoption and eligible foster children, said David Zick, president of Group Associates, a Bingham Farms benefits consulting firm.

It's a big departure from past policies that dropped children when they were no longer full-time students or financially dependent on their parents, he said.

But Zick and others worry about the costs.

Even though plans for young adults usually don't cost much (these consumers usually are not big users of health care), the extended coverage is another cost that ultimately will be passed from insurers onto employers and consumers, he said.

"It's like another straw on the camel's back. Is this the straw that will do it -- break it? Probably not, but it will continue to pile on," he said.

Steven Berkshire, professor of health administration at Central Michigan University, agreed that costs might be passed on. Insurers may begin requiring separate policies for more than one child, instead of family rates that now cover spouses and all dependent children, he said.

And some companies may choose to raise premiums for families with more than one child, said Bryan Hirn, area president of Gallagher Benefit Services, a Bingham Farms benefits consulting firm.

Many of the other provisions



Kayleen Johnson, 23, works a Christmas puzzle. One puzzle she won't have to solve anymore is health care: She can stay on her mom's policy. (KIMBERLY P. MITCHELL/DETROIT FREE PRESS)

Michiganders will see this year lean heavily toward prevention.

For cash-strapped seniors, especially, staying healthy can be a struggle because of the high costs of medications or even a few dollars for copays for wellness checks or health screenings, said Sharon Gire, former director at the Michigan Office of Services to the Aging.

Gire now leads presentations for seniors for AARP Michigan about health care insurance.

One of the most immediate changes will be prescription coverage for seniors. Medicare generally helps cover seniors' prescriptions up to a certain dollar amount. Then coverage drops, until the senior buys enough prescriptions out of pocket that coverage kicks in again. This is often called the doughnut hole in coverage.

Before, seniors dipped in and out of prescription coverage, depending on how much they had spent. And it didn't take long to hit that coverage gap, especially with common chronic diseases such as diabetes, hypertension and arthritis, Gire said.

"These are treatable diseases and people can stay healthy, but only if they can afford those medicines," Gire said.

Now, once seniors hit \$2,840 in costs -- the entrance to the doughnut hole -- brand-name medications especially will be cheaper.

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