

# Ariz., Ga. Legislatures Pass Measures to Allow Sale of Health Insurance Across State Lines

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Lawmakers in Arizona and Georgia have recently passed measures that would allow residents in those states to purchase health insurance policies across state lines. But while both bills have been sold as granting consumers more freedom in purchasing health insurance, some have questioned whether the bills raise more concerns than they address.

Both the Georgia bill, H.B. 47, and the Arizona bill, S.B. 1593, are awaiting the signatures of their state's respective governors. Given that both bills have been largely supported by Republicans, Georgia Gov. Nathan Deal and Arizona Gov. Jan Brewer, both of whom are also Republicans, are expected to sign the bills.

Supporters of H.B. 47 and S.B. 1593 made similar arguments in support of their state's proposed legislation - by increasing the number of insurers in the market and spurring competition, consumers can expect to see lower premium costs.

Georgia Rep. Matt Ramsey, a Peachtree City Republican who sponsored the bill, said H.B. 47 would "place more power into the hands of insurance-buying consumers."

"This step will make it possible for us to break down the barriers to competition in the health insurance market in our state," he said. "As a result, consumers will see an increase in options and greater latitude in their ability to make decisions that benefit their families."

Arizona Rep. David Burnell Smith, R-Carefree, has argued in support of S.B. 1593 that employees will be able lobby their employers for specific coverages.

That said, some wonder whether the bills would actually limit the coverage consumers can expect to receive.

Both Georgia and Arizona have laws on the books that require certain treatments and procedures to be covered, particularly those that pertain to women. Georgia law requires that health insurance policies cover breast exams and well-child visits. Arizona mandates that health insurance carriers cover hospital stays for women giving birth, post-mastectomy breast reconstruction and treatments for autism.

Consumer advocates in both states have argued that by allowing interlopers to enter the market from across state lines, out-of-state insurers and possibly in-state insurers may be excused from meeting those mandates.

That argument has been especially effective in Georgia during past legislative sessions. Republicans in the Peach State have tried to pass similar legislation in the past, only to have their efforts derailed by staunch opposition from female legislators and women's rights groups.

Georgia Sen. Nan Orrock, D-Atlanta, has argued that bills like H.B. 47 would "undermine consumer protections."

The League of Women Voters of Georgia weighed in by launching a Twitter drive that called on voters to reach out to their state legislators and tell them that H.B. 47 would "bill will strip away health care mandates by allowing out of state plans to be sold without compliance to Georgia law and putting more Georgians at risk."

State insurance regulators have typically opposed moves to allow the sale of insurance across state lines, warning that opening their markets would undermine the state-based regulatory system at its core.

The Patient Protection and Affordable Care Act tasked the National Association of Insurance Commissioners with developing parameters by which states can form interstate compacts to sell health products. (Arizona's

Brewer vetoed a companion bill to S.B. 1593 that would have required her to enter into a specific compact with other states on behalf of the state. In her veto, Brewer said by directing the governor to sign a compact, the bill would have violated the separation of powers requirement established by Article 3 of the Arizona constitution).

But Kansas Insurance Commissioner Sandy Praeger has said simply opening up state borders would create a "race to the bottom" with unfair competition as insurers register in states with fewer industry rules.

"How many ways do we have to explain that just won't work? That flies in the face of states' rights," said Praeger, an elected Republican who leads the NAIC's efforts to implement the Affordable Care Act. "We'd essentially have to throw out our consumer protections" (BestWire, Feb. 7, 2011).

Despite the arguments on both sides of the issue that have at times become passionate, industry trade groups have largely remained silent on the issue.

Robert Zirkelbach, press secretary for America's Health Insurance Plans, said his organization has "not taken a position on the issue." Efforts to reach the Independent Insurance Agents & Brokers of America for comment were unsuccessful.

Meanwhile, Congress has made some hesitant moves on the issue. U.S. Rep. Marsha Blackburn, R-Tenn., introduced legislation in January that would have allowed the selling of health insurance across state lines. That bill, H.R. 371, appeared to gain some traction when 74 co-sponsors signed on in support of it, including Energy and Commerce Committee Chairman Fred Upton, R-Mich. It was also included as part of the GOP's "Pledge to America" campaign document (BestWire, Feb. 7, 2011).

But despite that initial support, the bill appears to have died in committee.

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