

# Michigan AG Issues Warning To Blues

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Michigan AG issues warning to Blues Patricia Anstett Detroit Free Press McClatchy-Tribune Regional News

Dec. 18--Michigan's Attorney General's office has warned Blue Cross Blue Shield of Michigan to immediately stop what it believes are deceptive business practices that make it difficult for seniors to buy supplemental Medicare policies.

In a letter Wednesday, Carol Isaacs, deputy attorney general, told Blue Cross general counsel Lisa DeMoss that the office has received more than a half dozen complaints that Blue Cross, the state's insurer of last resort, does not promote the policies. Instead, "Blue Cross and its agents have been fervently marketing" its costlier Medicare Advantage products, Isaacs said, in the letter.

The office wants Blue Cross to find better ways to promote the policies, including on the insurer's Web site.

Also known as Medigap, the coverage helps pay for doctor visits and other health services not covered by basic Medicare.

Blue Cross charges \$107 a month in premiums for its basic Medigap policy and as much as \$297 a month in tri-county Detroit for its more comprehensive Medicare Advantage plans, which cover drugs and other benefits.

A person's county of residence is factored into the premium for Blue Cross. Private companies offering Medigap plans may charge more and are allowed by the state to set rates based on age, health issues and county of residence.

Blue Cross spokeswoman Helen Stojic said in a statement Thursday that the insurer "fully responded to state and federal regulators on these complaints earlier this year and believes that the matters were resolved to their satisfaction."

She said Blue Cross distributed 9,000 kits since October about its Medigap plan and 1,600 new seniors so far have been enrolled. Another 4,000 are expected in January.

John Selleck, a spokesman for the Attorney General, said the problems occurred when many seniors tried to sign up for the coverage during Medicare's annual open enrollment period, which began Oct. 15 and extends through Dec. 31.

In its campaign for legislation to raise individual health plan rates, including Medigap rates, Blue Cross has said that the Medigap policies are big money losers, accounting for \$87 million of its losses in 2007 and \$84.5 million this year, though the company is making money overall and has a \$2.4 billion surplus funds.

Critics say Blue Cross could make money on the Medigap policies but chooses not to collect a 1% subsidy for the policies from all of its group customers, as state law allows, to cover losses.

Selleck said a half dozen seniors wrote the Attorney General in the last five weeks to complain that they found it difficult to find information about the plans on the Blue Cross Web site, [www.bcbsm.com](http://www.bcbsm.com).

The Blue Cross Web site prominently refers to the insurer's Medicare Advantage plans. But visitors to the site have no comparable and easy way to get Medigap information on the site's search function.

Blue Cross' Medigap plan also is missing from the federal government's Medicare Web site. Asked why, Medicare spokesman Peter Ashkenaz said the agency's Medigap listings are based on information from Michigan's Office of Financial and Insurance Information.

Jason Moon, a spokesman for the state office, said the state's list of 46 Medigap plans is limited to commercial insurers. He noted that Blue Cross' Medigap coverage is mentioned in footnotes to the list but he couldn't provide information about why the list doesn't include information about the plan most used by seniors in Michigan.

Askenaz said he forwarded questions about why the Medicare site doesn't include the Blue Cross plan to other Medicare officials, to suggest their inclusion.

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