

Obama Says Insurers No Longer Dropping Patients
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NEW YORK (MarketWatch) -- President Barack Obama on Saturday said the landmark health care legislation signed into law a little more than a month ago is already holding health insurance companies more accountable and providing assistance to small businesses.

"Reform is already delivering real benefits to millions of Americans," Obama said in his weekly address.

Obama said insurance companies are already banning the practice of dropping coverage of patients who get sick, ahead of the September deadline, after the administration called on one company to stop revoking policies for women diagnosed with breast cancer.

"Two weeks ago, the entire insurance industry announced that it would comply with the new law early and stop the perverse practice of dropping people's coverage when they get sick," he said.

On Monday, the administration will announce the new rule that allows young adults without insurance to stay on their parents' plan until they're 26 years old.

Two weeks ago, up to four million small business owners and organizations became eligible for a health care tax cut potentially worth tens of thousands of dollars for each firm, to help millions provide coverage to their employees.

Starting on June 15, businesses will get additional relief for providing coverage to retirees who are not yet eligible for Medicare, he said.

Senior citizens who fall into the prescription drug coverage gap known as the "doughnut hole," will start receiving a \$250 rebate to help them afford their medication, Obama said.

"For too long we've been held hostage to an insurance industry that jacks up premiums and drops coverage as they please. But those days are finally coming to an end," Obama said.

After the administration demanded that Anthem Blue Cross justify a 39% premium increase on Californians, the company admitted the error and backed off its plans, Obama said. States are also being urged to investigate other rate hikes.

The government has set up a new Office of Consumer Information and Insurance Oversight and will provide grants to states with the best oversight programs

In the next month, the government will put in place a new Patients Bill of Rights.

"It will prohibit insurance companies from limiting patients' access to their preferred primary care provider, OBGYN, or emergency room care," Obama said.

Obama said the health care overhaul will require "some tweaks and changes" but the new system, "will provides more control for consumers, more accountability for insurance companies and more affordable choices for uninsured Americans."

GOP slams Democrats on financial reform

Sen. Richard Shelby, R, Ala., the ranking Republican on the Senate Banking Committee, said the Democratic banking overhaul package now being debated won't do the job.

"Republicans believe that meaningful financial reform is necessary and such reform should address the causes of the financial crisis, promote economic growth and end bailouts for good," Shelby said. "The legislation that the Democrats proposed failed each of these tests."

He said the Democrats have blocked legislation for years to reform Fannie Mae and Freddie Mac, the quasi-government agencies involved in the U.S. mortgage market.

In the days to come, Republicans will be demanding that financial reform include Fannie and Freddie, he said.

"If the Democrats have their way, the so-called Consumer Financial Protection Bureau could reach into every small business that provides credit and place unreasonable burdens on them, which only means higher costs and fewer choices for consumers," he said.

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