

NATIONAL HEALTH CARE REFORM



Health Insurance Company Practices.

Part III of V: A Perspective from Greater Kansas City's Largest Insurer

At Blue Cross and Blue Shield of Kansas City, we're listening intently to your thoughts and concerns about health care and the proposed reforms now before Congress. In this third in a continuing series, we'd like to take the opportunity to address some of the key issues surrounding this complex and rapidly evolving issue.

Do You Deny Coverage for the Sick?

- Our company accepts 85% of all individual applicants for coverage and 99% of all applicants when group and individuals are combined.
- In addition, we offer a special 10% discount for those individuals who take care of themselves and are healthy — it makes good sense to offer an incentive to people who take responsibility for their own health.
- Once individuals have been accepted into our insurance pool, coverage is guaranteed for as long as premiums are paid, provided the individual has been honest on his or her application. We do not and cannot cancel their coverage if they become ill.

Do You Deny Claims to Increase Profits?

Absolutely not.

- We pay all claims which are covered within our agreements, and state regulators review our compliance with these contracts.
- Ninety-nine percent of all our local claims are paid within 30 days.
- Members can appeal any denied claim and receive a full and fair review.

As a not-for-profit company, we serve our members, not shareholders.

Can I Take My Insurance With Me When I Change Jobs?

- Like other insurance companies, Blue Cross and Blue Shield of Kansas City members of employer groups larger than 20 employees may continue their insurance under the COBRA program, created by an act of Congress. Employees of companies with fewer than 20 employees have similar options available to them through state laws.
- Congress is considering additional reforms to require insurance carriers to accept all applicants and to prohibit rate increases for applicants with health conditions after their 18-month COBRA eligibility expires. We support these reforms.

If Everyone Paid the Same Rates, Would Costs be Lower?

- Moving to one rate for everyone does not lower total costs; it simply redistributes how those costs are allocated.
- In general, younger people would see their rates nearly double while older Americans would see theirs drop by nearly half.
- Health reforms under consideration in Congress do not fully move to one rate for everyone, but they are considering a substantial reduction in the rating classes insurance companies are allowed to use today to set rates.

Yours truly,

Tom Bowser

Tom Bowser
President and Chief Executive Officer
Blue Cross and Blue Shield of Kansas City



**BlueCross BlueShield
of Kansas City**

An Independent Licensee of the
Blue Cross and Blue Shield Association

More information available at www.KCHealthCareReform.org