

Insurance Times: **Maine Anthem criticized for latest individual rate hikes**

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AUGUSTA, Maine (AP) — Anthem Blue Cross and Blue Shield is coming under criticism for its latest round of rate hike proposals for two insurance plans for individuals. The health insurer is proposing to increase its rates in January by 7 percent for its 16,000 HealthChoice policyholders and upping them 26 percent for its 275 individual HMO policyholders.

Maine Hospital Association spokesman Mark Ishkanian said there is a contradiction “between Anthem one week announcing record profits and the next week announcing very substantial premium increases to its customers.”

Joseph Ditre, executive director of Consumers for Affordable Healthcare, said he was “sickened” by the insurer's request.

Ditre said the company recently reported a 47 percent increase in net income, and paid its chief executive officer \$15 million last year, up from \$2.4 million in 2000. Deborah New, an Anthem spokeswoman in Indiana, said the CEO last year made \$3 million in salary and bonus and another \$12 million for company performance in 1998, 1999 and 2000. Ditre said profits and compensation were draining money from Maine that could be spent on health care.

“What they are saying to the people of Maine is: We don't want your business,” Ditre said. “It's time for the Maine Legislature to step into a situation where we have a monopoly (by Anthem) in this market and say enough is enough.”

Anthem said its rate proposal increases are less than they have been the past couple of years and that hikes are necessary to cover rising health care costs.

According to the Bureau of Insurance, rates for Anthem's HealthChoice product — which is by far the most popular individual coverage policy in the state — went up 23.5 percent in January 2001, and another 12.7 percent last February.

For the Individual HMO plans, rates went up 32.6 percent in 2001 and 30.3 percent last February.

The company said that it has cut administrative costs by 16 percent, which is one reason why it is seeking a lower rate hike. Still, the company said it is dealing with rising medical costs that it has to cover.

“It doesn't do us any good to get into a debate with the hospitals about who's to blame,” said William Cohen, Anthem spokesman in Maine.

Superintendent of Insurance Alessandro Iuppa will decide within a few weeks whether to hold a public hearing on the latest rate hike request, Deputy Superintendent Eric Cioppa said.

With 302,000 members, Anthem is the state's largest private health insurer.