



Benefit Counseling Associates

Massachusetts Regulators Reject Proposed Rate Increases For Individual, Small-Group Plans.

The [New York Times](#) (4/2, A14, Sack) reports, "With the encouragement of Gov. Deval L. Patrick (D), Massachusetts insurance regulators took the extraordinary step Thursday of rejecting nearly 9 out of 10 rate increases requested by the state's health insurers." The proposed increases, "which were for individual and small-group plans, ranged from seven percent to 34 percent." While "small businesses cheered the state's intervention...health insurers predicted disruption in the marketplace."

The [AP](#) (4/2, Johnson) reports that Insurance Commissioner Joseph Murphy said the proposed rate increases included "excessive increases and rates unreasonable relative to the benefits provided." But, insurance companies "say caps on their charges are justified only if there are similar caps on the costs that healthcare providers -- such as doctors and hospital networks -- charge them."

They argued that the move "would usher in an era of price controls, and vowed to appeal to the state or through the courts," the [Boston Globe](#) (4/2, A1, Weisman) reports on its front page. Meanwhile, "small businesses applauded the rejection of higher premiums, saying they can't continue to endure rapidly escalating insurance bills." The rates "established last year" will "remain in effect" for now.

"The move is a rare rebuke for the state's insurers, as past rate hikes have essentially been rubber stamped by state regulators," the [Boston Business Journal](#) (4/1, Donnelly) reported.

Maine Court To Rule On Regulator's Rejection Of Anthem Premium Increase. The [Wall Street Journal](#) (4/2, Mathews, Johnson, subscription required) reports that in Maine, a court is expected to rule on a decision last year by a state regulator to reject Anthem Blue Cross and Blue Shield's proposed premium increase, citing rising healthcare costs. A smaller increase was approved instead, which left Anthem losing money on individual policies. The case is being watched closely throughout the nation, as the decision may have implications for state regulation of insurance.