

Rate increases signal deeper problems in our health care system

*By Mary O. McWilliams
President, Asuris Northwest Health*

Asuris continually strives to deliver good value in cost and quality for our members. We are privileged to be part of a company that provides health care coverage to more than one million Washington residents who rely on us – 150,000 of whom are members of Individual plans.



We make every effort to keep rates affordable by offering tools to engage and support members in their health care, and we are pleased our Individual membership grew by almost 18 percent last year.

After careful review of projected health care costs and usage services, we find it necessary to increase Individual rates, effective August 1. We share the concerns of our members and Washington residents with regard to premium increases, so we would like to take this opportunity to address some of the factors that go into why an increase is needed.

The causes of rising medical costs are well-documented: we live longer, and more of us have chronic diseases that require costly medical care, delivered by a fragmented system rich in capabilities but also riddled with waste, duplication and error. These affect the cost of health insurance for all people, not just those who pay the full cost of their own premium. For these reasons, Regence is involved in a wide range of efforts to change the health care system.

The trends of aging, increased technology, chronic illness and systemic flaws increase medical costs, which in turn drive up premium rates. Regence carefully assessed those trends and risks when calculating the premium increase for Individual members.

Since we are a not-for-profit health plan, our goal is to collect just enough in rates to pay medical claims plus a bit more to ensure we can provide a safety net. Sometimes our projections are off. In 2007, Asuris paid more in health care costs for our Individual members than we anticipated, on the heels of a million-dollar shortfall in 2006. That we can withstand unexpected spikes and still pay claims for our Individual members is a measure of our financial stability. But this increased use of medical services is directly reflected in premiums.

Another factor is state-legislated requirements, called mandates, regarding specific health coverage. Mandates increase premium costs by 20-50 percent, according to the Council for Affordable Health Insurance. Washington state, with 53 mandates, has among the most in the United States. Two new state-mandated benefits take effect July 1, 2008: colorectal cancer screening and an increase in the dependent age coverage from age 23 to age 25.

Asuris is committed to serving our members. We want to help you stay informed and engaged in your health care. If you are an Asuris member and need more information, please call

Customer Service at 1-888-344-5587 or visit our members-only Web site for tools, information and community message boards at myAsuris.com. You may also contact your agent or broker if you want more information, have questions about your benefits, want to change your plan or explore other Individual plan options. Or, you may explore plans on our Web site.

We understand that health care costs affect everyone. For our part, Asuris continues to work locally, regionally and nationally with other groups to improve information technology, quality and evidence-based care. We also design tools to engage members and reward choices that foster health and value-based care decisions.

Only by working together can we build an affordable, sustainable health care system that delivers value and protection for everyone.

We thank each of you for choosing Asuris, and we hope you will call on us when you need us.