

RESOLUTION 08.2019-04 (A-20)
STATE LEGISLATION PROPOSAL FOR HEALTH INSURANCE REFORM

ISMS Board Action Taken on 10/26/2019

Adopted Substitute Resolution 08.2019-04 (A-20), as recommended by the Council on Economics.

Council on Economics Recommendation to ISMS Board on 10/26/2019

The Council reviewed this issue in depth and, while sympathetic to the author's concerns, believes legislation eliminating for-profit insurers would be near-to-impossible to enact, and may produce unintended consequences, particularly on competition. BCBSIL, the state's largest commercial insurer, is already a non-profit company. The Council also heard mixed reaction to similar laws in Minnesota. Instead, the Council opined there is more value in further study of potential ways to maximize what insurers spend on delivery of health care to their policyholders – i.e., enhancing the medical loss ratio, as required in the *Affordable Care Act*, or perhaps other regulatory options to achieve this resolution's intent.

The Council on Economics recommends that the Board of Trustees adopt Substitute Resolution 08.2019-04 (A-20) in lieu of Resolution 08.2019-04 (A-20) as follows:

RESOLVED, that ISMS undertake a review of potential ways of maximizing the amount that insurance companies spend on the delivery of health care services, including medical loss ratio regulations established by the *Affordable Care Act* and by individual states.