



Soaring Premiums Show Need for Health Care Reform

Written On February 18, 2010 By [Bob Kraft](#)

Kathleen Sebelius, U.S. Department of Health and Human Services Secretary, has written an opinion piece in the [Atlanta Journal Constitution](#) in which she says the recent proposed rate increase by Wellpoint and Blue Cross is evidence that fast reform is needed in this country's health care system. Here are excerpts from the article:

Earlier this month, families opened their mail to another stark reminder of why we need to reform our broken health insurance system.

In California, beneficiaries of an insurance company owned by WellPoint called Anthem Blue Cross received letters announcing that their premiums would rise as much as 39 percent, meaning a family paying \$1,193 a month will now owe \$5,580 more on its annual bill.

Even more infuriating for the people receiving these letters, this increase didn't happen because WellPoint had fallen on hard times. WellPoint recently announced more than \$2.7 billion in profits from the most recent quarter alone.

It's outrageous that insurance companies are reaping huge profits on the backs of working families who are already struggling to make ends meet. It's also all too familiar.

Even as a recent report showed that America's five largest insurers made over \$12 billion in profits last year with their CEOs taking home up to \$24 million each, some of those same companies have requested significant premium hikes.

In the last year alone, insurance companies have requested premium increases of 56 percent in Michigan, 24 percent in Connecticut, 23 percent in Maine, 20 percent in Oregon and 16 percent in Rhode Island.

Right now, our health insurance system works well for insurance companies. They can raise your premiums or slash your coverage, knowing it's hard to find another plan.

In most states, they can turn you away if you have a pre-existing condition like high blood pressure. They can even cancel your coverage when you get sick. All they have to do is find one error in your paperwork.

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Meanwhile, families get a raw deal. They usually have very few plans to choose from. Often, the choice is between one plan they can't afford and another plan that offers threadbare coverage. That's assuming families make it through all the fine print to actually find out what a plan does and doesn't cover.

The reason President Barack Obama started working on health insurance reform early last year was to put these families and their doctors and nurses back in charge of health care decisions. Throughout this process, we've been driven by a few simple goals.

First, we need to slow the growth of rising health care costs for families, businesses, and government, so that workers can start getting raises again, companies can start growing, and we can finally start bringing down the deficit.

Second, we need to strengthen insurance for the Americans who already have it. That means creating new rules for insurance companies to stop them from putting an artificial cap on your benefits or canceling your policy when you get sick.

Third, we need to make affordable coverage available to every American. Markets work, but only when there's competition and real choices. So we need to create a health insurance market where every American has quality, affordable options.

With those basic principles guiding their efforts, both houses of Congress have made history by passing reform bills for the first time ever. But until a final bill reaches the president's desk, Americans will continue to see rising premiums and shrinking security.

The premium hikes in California and across the country are a wake-up call. It's time for Congress to pass reform and hand control over health care decisions back to American families and their doctors.