

Health insurers back universal coverage mandate.

The [New York Times](#) (11/20, A30, Pear) reports, "The health insurance industry said Wednesday that it would support a healthcare overhaul requiring insurers to accept all customers, regardless of illness or disability," if Congress would "require all Americans to have coverage." Both America's Health Insurance Plans (AHIP) and the Blue Cross and Blue Shield Association announced separately their support "for guaranteed coverage for people with pre-existing medical conditions, in conjunction with an enforceable mandate for individual coverage."

[Bloomberg News](#) (11/20, Goldstein, Marcus) adds that while the plan put forth by AHIP did not indicate "what penalty should be imposed for those who fail to get coverage," it "proposed refundable tax credits for working families." Furthermore, AHIP said that "families buying coverage on their own should get the same tax break as those who obtain insurance through their employers," since "the value of employer-provided benefits isn't taxed." The group also stated that "premiums should be kept stable through a 'broadly funded reimbursement mechanism that spreads costs for the highest-risk individuals.'" Overall, the plan "is similar to ideas offered by President-elect Barack Obama, except Obama hasn't supported making insurance mandatory for everyone."

Still, the [AP](#) (11/20) notes, "More lawmakers may agree to a mandate if it means the insurance industry will back those efforts," especially since the "industry's opposition 15 years ago...helped scuttle former President Clinton's health plans." Furthermore, "key Democratic lawmakers have already expressed support for an individual mandate," including Sens. Hillary Clinton (NY) and Max Baucus (MT). A separate article by the [AP](#) (11/20, Murphy) calls the mandate "crucial," because "it would keep both healthy and sick people in the coverage pool for insurers and allow them to spread risk over a larger population," according to analysts. Meanwhile, others note that "the bottom-line picture...remains hazy." Ana Gupte, an analyst with Sanford C. Bernstein & Co. said that "such a plan would lead to government oversight on underwriting, or how an insurer decides to price its coverage," which "could place 'downward pressure' on profits." [Modern Healthcare](#) (11/20, Vesely) and the [Investor's Daily Business](#) (11/19, Hogberg) also covered the story.

Experts say plans for universal healthcare coverage need to also include cost-containment reforms. [Modern Healthcare](#) (11/19, Lubell) reported that "plans for universal healthcare coverage need to also include cost-containment reforms, witnesses testified before the Senate Finance Committee." Last week, the committee's chairman, Max Baucus (D-MT), "issued plans for a sweeping overhaul of the healthcare system...which included a mandate for universal coverage." The "plan offers a multitude of options for people to obtain insurance, including a public-plan option to compete with private-plan options in a health insurance exchange." While Princeton's Uwe Reinhardt, a political economy professor, praised "Baucus' proposal as 'revolutionary,'" he "cautioned that cost-control efforts should not be tackled before instituting coverage." In fact, because "insurance can be done more quickly," the professor maintained that "universal coverage should be established first, then run in parallel with cost containment."