

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Docket No. 2009-940

**Attorney General Mike Cox, and
Office of Financial and Insurance
Regulation**

Agency No. 09-746-BC

Petitioners

**Agency: Office of Financial
and Insurance
Regulation**

v

Case Type: Appeal Rates

**Blue Cross and Blue Shield of
Michigan**

Respondent

/

**Issued and entered
this 12th day of August, 2009
by Ken Ross
Commissioner**

**FINAL ORDER GRANTING RATE INCREASE
FOR BCBSM NONGROUP AND GROUP CONVERSION SUBSCRIBERS**

On June 3, 2009 a Notice of Hearing and Order for Hearing were issued in the matter of the request of Blue Cross and Blue Shield of Michigan (BCBSM) for rate increases for its Nongroup, Group Conversion and Other Than Group Medicare Supplemental (Medigap) lines of business. Both the Attorney General and the Office of Financial and Insurance Regulation Staff have been admitted as additional parties.

BCBSM originally requested a 56% aggregate increase in Nongroup rates and a 39.2% aggregate increase in Group Conversion rates. The parties have now entered into a stipulated agreement regarding proposed final rates for Nongroup and Group Conversion subscribers. Pursuant to that Stipulation, rates filed for high-option, moderate cost sharing and value option benefit plans would be reduced proportionately to reflect an aggregate increase of 22% for both lines. The Stipulation does not address BCBSM's request for a rate increase for its Other Than Group Medicare Supplemental (Medigap) subscribers.

FINDINGS

1. It is the purpose and intent of the BCBSM enabling legislation, 1980 PA 350, MCL 550.1101 et seq, to assure reasonable access to, and reasonable cost and quality of, health care services, in recognition that the health care financing system is an essential part of the general health, safety, and welfare of the people of Michigan.
2. The reduction in proposed rates from 56% and 39.2% to an aggregate of 22% will result in more reasonable rates and BCBSM's ability to provide services will not be impacted.

THEREFORE, IT IS ORDERED that the Nongroup and Group Conversion rates contained in the attached Stipulation are approved with an effective date of October 1, 2009. This Order makes no finding as any matter which is or may be at issue in the BCBSM request for a rate increase for its Other Than Group Medicare Supplemental subscribers.



Ken Ross
Commissioner