Osg2 20120731 HEALTH

The Osgood File. This is Dave Ross on the CBS Radio Network. How often does this happen:



Of course there is a catch…

More after this:

(((SPOT)))

It one of the provisions of the Obama health care reform law that no one talks about – but it’s real: a requirement that insurance companies spend at least 80% of their premiums on medical benefits, or refund the difference.

And a number of insurers are now having to refund the difference.

Pollsters tell us that most Americans – especially business people -- hate the health care law, so you’d think that some of them would REFUSE these checks, and let the insurance companies keep the money, but Jaime Court, who runs a small non-profit in Santa Monica, will be keeping his $4000:

“Even though it's low, it's nice to have the money." (:02)

THE LARGEST INSURERS AETNA, CIGNA, HUMANA, UNITED HEALTHCARE, and Jaime’s insurer, which is Anthem Blue Cross, WILL HAVE TO PAY OUT a total of MORE THAN ONE BILLION DOLLARS in refunds…which sounds like a lot but turns to be pretty small – Jaimes annual premium for his 14 employees is 250-THOUSAND DOLLARS PER YEAR:



"And so what we got back was a very small percentage of our overall premium." (:04)

But the idea isn’t just to rebate some money, it’s to discourage insurance companies from spending too much premium money on advertising, salaries and bonuses, thereby bending the cost curve downward, as the economist say.

Except according to ROBERT ZIRKELBACH, who represents health insurers, the rebate system is attacking the wrong thing:



"What we're paying for physician services, hospital services, new medical technologies, prescription drugs - that's what's really driving the rise in insurance premiums." (:10)

And the other thing is that since most of us don’t buy our own health insurance but get it as part of our jobs… the rebate checks don’t go to us, but to our bosses – who I have no doubt will use it to

improve our benefits, because that’s what we’d do if we were the boss, am I right?

The Osgood file…