

## House Passes Essential Bill To Remove Health Insurance Anti-Trust Exemption

Written by Mike Honda

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Earlier today, the House of Representatives passed HR 4626, the Insurance Industry Fair Competition Act of 2010 with a bi-partisan 404-18 vote. It is a very special day as I believe we are finally bringing real change to the health insurance industry, while beginning the long road towards full reform. This bill is about restoring competition, fairness and choice. Since 1945, the health insurance industry has been shielded from accountability under basic federal antitrust laws that apply to virtually every other US industry for price fixing, dividing up territories among themselves, sabotaging their competitors in the marketplace in order to gain monopoly power, and other practices that unjustly harm consumers.

At its core, health reform is all about ensuring that American families and businesses have more choices, benefit from more competition, and have greater control over their own health care. Repealing this exemption is an important part of that effort. Competitive markets help drive our economy, but we need common-sense rules of the road to make sure that the markets are working for the American people. As we've seen time after time, right now that's not happening in our health insurance market. Over the past 20 years competition has vanished. We have seen so many mergers and acquisitions over the years that the industry is now dominated by a cartel of about seven very large health insurance companies, all of them for-profit. As a result, the landscape has changed so remarkably that the disregard for regulation is rampant.

Removing the anti-trust exemption will enable appropriate enforcement against unjust practices while also giving health insurance companies incentives to compete against each other not collude with each other. This much needed change comes at an important time. Anthem Blue Cross in California just announced a 39% price hike, even though its parent company made a \$2.7 billion profit in the previous quarter. Over the last year, America's largest 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. This combined with data from recent studies by the American Medical Association that found that 94% of US health insurance markets are so "highly concentrated" that they lack any meaningful competition.

Leading consumer groups and seniors groups, State attorneys general, and others have supported removing this blanket antitrust exemption for decades. The bipartisan Antitrust Modernization Commission, established by Congress and President Bush in 2002, echoed this call in its 2007 report.

Last summer I hosted several town halls where I heard from thousands of my constituents.

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People came in with very different views from each other on how we should conduct healthcare reform. Despite their differences however, I saw a large consensus on some core issues. Chief among these was the absolute need for removing the health insurance industry's anti-trust exemption. We are building on this consensus and I am proud to be a part of it.