## CONTENTS

Page N	Vumber
SUMMARY	1
INTRODUCTION	5
Commercial Health Insurers Blue Cross/Blue Shield Plans Health Maintenance Organizations	7
SURVEY RESULTS	11
Medical and Other Factors in Risk Classification  Commercial Health Insurers  Blue Cross/Blue Shield Plans  Health Maintenance Organizations	11 16
Sources of Medical Information Commercial Health Insurers Attending Physician Statements Physical Exams Blood and Urine Screening Blue Cross/Blue Shield Plans Health History Questionnaire Attending Physician Statements Physical Exams Blood and Urine Screening Health Maintenance Organizations Health History Questionnaire Attending Physician Statements Physical Exams Blood and Urine Screening	222 25 25 25 27 27 27 27 29 29 29 29
AIDS Policies and Experience  Commercial Health Insurers  Blue Cross/Blue Shield Plans  Health Maintenance Organizations	30 35

(Continued...)

Top Ten Most Costly Conditions: AIDS vs. Other Major Illnesses  Commercial Health Insurers  Blue Cross/Blue Shield Plans  Health Maintenance Organizations	41 41
APPENDIX A: SURVEY QUESTIONNAIRE	45
APPENDIX B: LIST OF ABBREVIATIONS and GLOSSARY OF TERMS	. 57
REFERENCES	59

## LIST OF TABLES

1.	Response to the Survey: Commercial Health Insurers, BC/BS Plans,	_
	and HMOS	6
2.	Commercial Health Insurers: Annual Volume of Applicants for Individual	_
	Health Coverage	
3.	Characteristics of the 15 Responding Blue Cross/Blue Shield Plans	8
4.	Characteristics of the 16 Responding HMOs	10
5.	Risk Classification by Commercial Health Insurers: Common Conditions	
	Requiring a Higher Premium, Exclusion Waiver, or Denial	12
6.	Commercial Health Insurers: Risk Classification of Individual Applicants	13
7.	Commercial Health Insurers: Estimate of Industry-Wide Risk Classification	
	of Individual Applicants	14
8.	Individual Underwriting by Commercial Health Insurers: The Importance of	
	Non-Medical Factors	
9.	Blue Cross/Blue Shield Plans: Risk Classification of Individual Applicants	1 8
10.	Blue Cross/Blue Shield Plans: Estimate of Industry-Wide Risk Classification	
	of Individual Applicants	19
$11_{\scriptscriptstyle 0}$	Individual Underwriting by Blue Cross/Blue Shield Plans: The Importance of	
	Medical and Other Factors	20

Table Number Page Number

12.	Health Maintenance Organizations: Risk Classification of Individual	
	Applicants	21
13.	Health Maintenance Organizations: Estimate of Industry-Wide Risk	
	Classification of Individual Applicants	22
14.	Individual Underwriting by Health Maintenance Organizations: The Importance of Medical and Other Factors	23
15.	Commercial Health Insurers, BC/BS Plans, and HMOs: Individual Underwriting Information Requirements	24
16.	Individual Underwriting by Commercial Health Insurers: Annual Volume of Attending Physician Statements, Physicals, and Testing	
17.	Individual Underwriting by Commercial Health Insurers: Reasons for Requiring	20
17.	an Attending Physician Statement or Physical Exam	21
18.	Commercial Health Insurers: Commonly Ordered Tests	29
19.	Individual Underwriting by Blue Cross/Blue Shield Plans: Reasons for	20
17.	Requiring an Attending Physician Statement	29
20.	Commercial Health Insurers, BC/BS Plans, and HMOs Attempting to Identify	
	Individual Applicants Exposed to the AIDS Virus	31
21.	Commercial Health Insurers, BC/BS Plans, and HMOS: Methods Used to Screen	
	Individual Applicants for Exposure to the AIDS Virus	31
22.	Commercial Health Insurers: HIV Testing Practices and Criteria for High	
	Risk Applicants	33
23.	Commercial Health Insurers: Range in Individually Underwritten	
	AIDS-Related Cases	33
24.	Commercial Health Insurers: Range in 1987 Individually Underwritten	
	AIDS-Related Cost Projections	34
25.	Commercial Health Insurers and BC/BS Plans Reporting AIDS Cases:	
26	Prevalence of Cases With a Preexisting Condition for AIDS	35
26.	Response to the AIDS Epidemic: Reported Plans by Commercial Health Insurers,	2.
27.	BC/BSPlans, and HMOS  Blue Cross/Blue Shield Plans: Number of Subscribers Reimbursed for AIDS-	30
21.	Related Claims	20
28.	Blue Cross/Blue Shield Plans: Projected AIDS-Related Claims Cost for 1987	
20. 29.	Health Maintenance Organizations: Range in AIDS/ARC Caseload	
<i>30</i> .	Commercial Health Insurers: AIDS vs. Other Major Illnesses	
31.	Blue Cross/Blue Shield Plans: AIDS vs. Other Major Illnesses	