

Blue Cross' Simply Blue plan targets 'invincibles' age group

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Blue Cross and Blue Shield of Minnesota has launched a new product for 18- to 30-year-olds in hopes of gaining a presence among an untapped, uninsured population.

Simply Blue targets the "young invincibles," the nickname health-care executives use to describe people in that age group who forego health insurance because they are generally healthy.

Eagan-based Blue Cross plans to market the new product as a practical product for new college graduates no longer covered by plans run by their school or paid for by their parents. Young people between jobs also might sign on.

"We realized there was an underserved market in the state of Minnesota, and there was a potential that we could develop a product for young adults that could meet their needs," said Judy Johnson, Blue Cross product manager for individual and small groups.

Simply Blue will offer three plans with different deductibles. Its selling point is the "first-dollar coverage" feature, which will pay for a certain amount of health-care costs during the year before a high-deductible plan kicks in.

Blue Cross expects most members will strive to keep their health-care spending below that threshold, which is \$500 for the least-expensive plan.

Simply Blue also caters to a growing trend among healthier people to opt out of group insurance plans to find cheaper individual rates elsewhere, said Henry Van Dellen, a health-care consultant with Bloomington-based Aon Risk Services Inc. of Minnesota.

However, Blue Cross essentially is repackaging an existing plan to make it more attractive and user-friendly for consumers in the invincibles bracket, he said. "There's nothing wrong with that, and there's no reason Medica and HealthPartners couldn't do the same thing by tweaking their plan designs."

Those companies are doing exactly that.

Bloomington-based HealthPartners plans to expand its products geared toward that age group with a stand-alone dental plan for \$15 a month and more online options targeting the generation's Web-savvy reputation.

Meanwhile, Minnetonka-based Medica plans to roll out its own invincibles-targeted product in the spring.

While the invincibles age group is one of the fastest-growing uninsured populations in Minnesota -- about 97,000 of them between 18 and 24 -- the potential for long-term customer growth is another reason health plans are paying attention to this segment.

"Ultimately, some number of this group will get married, have families and get older," said Mark Owen, vice president of individual products at Medica. "We want to build relationships with them so as they move through life, they'll consider other Medica products."

Blue Cross will market Simply Blue through direct mailings and a broad-based media campaign to college graduates and their parents, whose kids still go to them for advice.

"[Young adults here] listen to their parents, and they want to do [things] like their parents do it," said Brian Davis, manager of individual sales for Blue Cross.