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August 8, 2019

Andrew N. Mais
Commissioner, Connecticut Insurance Department
153 Market Street, 7th Floor
Hartford, CT 06103

Dear Commissioner Mais,

Thank you for the opportunity to comment on the proposed health insurance rate filings for the 2020 individual and small group markets, recently submitted by insurers in the state of Connecticut. I was disappointed to see that insurers have once again proposed rate increases that outpace inflation for the coming year, increases which are unaffordable for many consumers. The cumulative burden of several successive years of rate increases threatens the ability of families in our state to afford health insurance. I urge the Connecticut Insurance Department (CID) to aggressively review and reduce these proposed rates.

As you know, ten health insurers in our state recently submitted 14 rate filings for plans that will be marketed on the individual and small group markets in 2020. On average, insurers have asked for an increase of 7.8% for individual plans, and 11.98% for small groups. Some companies have requested rate increases as high as 28.5%. Increases on this scale would be simply unaffordable for families in Connecticut and could put health care coverage out of reach for many. The insurers' own filings reveal a troubling trend in the number of lives covered, with on-and-off-exchange plans falling from covering 136,381 individuals last year to 112,378 this year. Coverage in small group plans have similarly fallen, from 156,507 people a year ago to 129,976 today. While many factors contribute to this drop, the ongoing rising costs of insurance coverage are almost certainly one of them.

Insurers cited a number of factors, including the increasing cost of medical services, increased utilization, changes in the market's risk pool, and the return of the federal mandated health insurer tax, in order to justify their requested rate increases. CID must carefully review each of these drivers and the explanations provided by insurers, and subsequently set rates that appropriately account for these factors and are fair to consumers.

Lowering the cost of health care in our country is a challenge that must be approached from all fronts and at all levels of government. I am committed to continuing to work with my colleagues in Congress to address the many factors associated with high health costs, including skyrocketing prescription drug prices, anticompetitive behavior by pharmaceutical manufacturers, surprise out-of-network medical bills, and a lack of transparency and accountability in the health care industry.

Health insurance must be both affordable and accessible for all. The Affordable Care Act (ACA) has provided millions of consumers with greater access to insurance coverage, preventative care, and critical treatment, and its provisions that maintain widespread access to health care coverage must be protected. The ACA also recognizes that in order to keep health insurance affordable, robust review and oversight of insurance rates is necessary.

To keep health costs reasonable for Connecticut residents, I urge the CID to carefully scrutinize each insurer's rate filing, paying particular attention to the assumptions and trends in each proposal. The CID should seek out every possible opportunity to reduce, if not eliminate, these rate increases, in order to ensure that affordable health coverage is available to everyone in our state.

Sincerely,

Richard Blumenthal
United States Senate

Connecticut Health Policy Project

Phone (203) 427-8242 • www.cthealthpolicy.org

TESTIMONY to the Connecticut Insurance Department

September 4, 2019

Re: Health Insurance Rate Filings for 2020

Ellen Andrews, PhD, Board Chair

Thank you for this opportunity to give input on proposed Connecticut individual and small group health insurance rate increases for next year. While rate requests are down from last year, averaging about 10%, they far exceed the 2% general inflation predictions and wage increases for most state residents.

For twenty years, the CT Health Policy Project has worked to improve access to affordable, quality care for every state resident. As a statewide consumer advocacy organization, we are deeply troubled by the costs of insurance coverage that far outstrip consumers' ability to pay. From 2008 to 2018, average deductibles for private health insurance in Connecticut have more than doubled for both single and family plans, while premiums have risen just over 50% during that time. This increasing shift of costs onto Connecticut consumers is squeezing out other important priorities and raising new barriers to necessary care.

In a perfect world, insurers at financial risk would apply downward pressure to rising healthcare prices, which are driving premium growth. However, that isn't working. As more insurers offload financial risk to large provider groups through new and completely unregulated Accountable Care Organizations and aggressive, new payment models, insurers have less accountability for total costs. Payers need help from policymakers to lower healthcare prices, especially reining in provider market consolidation and consequent price increases, and in controlling prescription drug costs. Insurers' incentives to lower input costs run counter to constraints under federal law that limit insurer administration and profit to a percent of total premiums. As total premiums rise, their 20% allowance rises.

Many of the plans' rate proposals for 2020, both on and off the exchange, cover small numbers of people. Adjusting for the number of covered lives, average increases for plans on and off the exchange don't vary much (9.8% and 10.6% respectively). However, rate requests for individuals covered on the exchange are up 7.6% while requests for individuals off the exchange are up 10.0% and for small businesses in both markets are up 12.1%. This is unexpected as AccessHealthCT individuals, on average, have higher risk scores and are older than those off the exchange raising concerns about adverse selection.

To protect consumers from these rising costs and resulting barriers to needed care, we urge the CT Insurance Department to consider affordability in your approval process and lower the rate increases to 2%, the expected rate of inflation for the rest of the economy.

From: cid.webmaster@ct.gov
To: Ratefilings, cid
Subject: Health: Anthem Health Plans, Inc - File Number: 201904057
Date: Wednesday, September 4, 2019 1:14:49 PM

The "Affordable Health Care Act" has been anything but affordable!!! As a self-employed family, we are now paying over $24,000 a year for our Health Savings Account! That's outrageous for a catastrophic plan!!! Something has to change with the whole health insurance model. Allowing for competition across state lines would be a huge start. Please say no to a rate increase and figure out something that's affordable!!!

From: cid.webmaster@ct.gov
To: Ratefilings, cid
Subject: Health: Anthem Health Plans, Inc - File Number: 201904057
Date: Tuesday, August 20, 2019 5:25:08 PM

I haven Been an Anthem member for over 20 years. Since i'm now on the exchange each year it becomes more and more difficult to get them to pay my doctors even if they are on their Plan list. They change the codes, they find ways to get out of paying for well visits or find a way to make it not covered. I'm paying over $1100 a month for insurance and still have to pay a $3700 deductible before the even consider reimbursing me. This is unreasonable and there should be more alternatives in the state.

From: cid.webmaster@ct.gov
To: Ratefilings, cid
Subject: Health: Anthem Health Plans, Inc - File Number: 201904057
Date: Tuesday, September 10, 2019 11:17:50 AM

Dear Regulators,

I urge you to reject the insurers request for increases as they still owe Generations Family Health Center, a safety net provider as follows.

- Anthem Blue Cross ACA
  - 433 claims
  - Wrong copay applied, deductible applied to physicals, or processed out of network and in some cases patients are mailed the check for the claim
  - $11,372.59 in owed payments, between copay differential and what the insurance should have paid on the physicals
    - 2015 - $35.00 outstanding
    - 2016 - $270.00 outstanding
    - 2017 - $1885.06 outstanding
    - 2018 - $4443.01 outstanding
    - 2019 - $4739.52 outstanding

We have been frustrated in the lack of responses and the claims processing inefficiencies. Attempts to resolve these claims have consistently been not managed by the insurer.

Arvind Shaw, CEO
Generations Family Health Center

From: cid.webmaster@ct.gov
To: Ratefilings, cid
Subject: Health: Anthem Health Plans, Inc - File Number: 201904061
Date: Tuesday, August 13, 2019 12:17:46 PM

Hello - I strongly oppose the 15% premium rate increase for Small Group plans by Anthem BlueCross BlueShield. My 2019 premiums for a family of 4 are currently $23,000 a year. Anthem wants to raise my premiums by an additional $3,450 per year??? This rate increase filing is on the back of the recent announcement of the Anthem CEO getting a multi million dollar raise.

I have no problem paying top dollar for a good service, however, as my premiums have been going up over the past few years, I've noticed the coverage has been getting worse. For example, for a child birth claim, in the past was only $500 for the out of pocket copay. Now, a child birth claim requires the deductible to be met first, plus the $500 copay, so the out of pocket is $3,000, which is not a nice welcome for any young family bringing a new baby into the world. More and more small group employers are only offering High Deductible Health Insurance plans to their employees, so this shift of higher costs to the consumer is exponentially becoming more or a problem.

I propose we see a 15% premium decrease for the consumers and the people of Connecticut. I also request that CT Dept of Insurance require that Anthem disclose the number and dollar amount of the claims that are denied by the insurer. This information would be useful to policyholders when they are evaluating their health insurance options. Thank you.

From: cid.webmaster@ct.gov
To: Ratefilings, cid
Subject: Health: ConnectiCare Benefits, Inc. - File Number: 201904075
Date: Thursday, August 22, 2019 9:08:00 AM

One of the biggest marketing ploys in the world. Last year the rate increase approved was 3% for on exchange, my rate increase was 12%. I called the insurance company and the run around, what's worse, I called the Ct insurance department and got the answer that they didn't know and to call the insurance company. I sincerely hope that Medicare passes and put these greedy bastards out of business!!!! They do not care that people are suffering and scraping to make ends meet. What is all this for if the rate increase is different for people under the same policy??? What's my rate increase going to be this year??? Give me a damn break. The insurance department is a waste of tax payers dollars.

Office of the Healthcare Advocate
STATE OF CONNECTICUT

Questions for Carriers

before the

Connecticut Department of Insurance

Informational Hearing *re*

Health Insurance Premium Rate Requests for 2019

September 4, 2019

Projected Claims Payments From All Sources

1. Premiums are only part of the costs that Connecticut consumers pay for health insurance. Insurance carriers also rely on their customers to pay increasing deductibles, co-pays, co-insurance and other patient responsibility whenever consumers seek to use their health insurance. For 2020 for each proposed plan, please provide projections related to these all-in consumer costs per member per month (pmpm) for each of your plans. If possible, identify any increases or decreases in actual or average dollar amounts as well as percentages. In other words, in addition to the percentage increase in the premiums to be charged to plan members, please provide a percentage increase in cost sharing and total out-of-pocket costs projected to be absorbed by plan members. Additionally, please provide total out-of-pocket costs (premium plus patient responsibility) for each plan at the 25th, 50th, 75th and 90th percentile.

2. For each plan for 2020, please also provide a comparative projection of the percentage increase in healthcare costs to be paid by your company.

3. Provide data and analysis with respect to the impact on enrollment and utilization due to changes in IRS rules regarding the use of HRA funds to pay for marketplace and off-exchange premiums?

Cost containment

Medical Trend (*i.e.*, the predicted increase in the cost of medical care)

4. Please provide data and analysis addressing the impact on utilization rates and overall trend as a result of members declining recommended and/or medically necessary services to avoid high cost sharing obligations? Describe what steps your company has taken to ensure that high cost sharing obligations are not preventing members from utilizing necessary services.

5. What specific techniques do you use to control your medical trend, both overall and with your largest three providers by dollar volume? How do you measure the success or failure of these techniques, and can you quantify your enterprise's successes or failures in medical cost control over the past five years with these providers?

6. What portion of your proposed medical trends are due to price increases for 2020 at the five largest (by claims amount allowed) in-network providers? Provide more details regarding network contract changes that are driving increases in unit costs and overall trend.

7. Does your enterprise track and reward success by identifiable teams or groups, and/or individuals within the enterprise, in cutting medical losses or moderating the rate of increase of medical losses? If so, how, and what financial results are you projecting for these efforts in 2020?

Program Integrity/Quality Improvement

8. How do you track the financial results of your program integrity and quality improvement efforts, and on an aggregated basis, how much do you project these efforts will contribute to keeping premium and all-in costs down for 2020, either in terms of actual recoveries, cost avoided, or both?

9. Regarding claims submitted to your plans, do you participate in the federal government's Healthcare Fraud Prevention Partnership administered by CMS's Center for Program Integrity? If so, please provide aggregated data on estimated amounts recovered or costs avoided for the past three most recently available years for your on-exchange plans. How about any other collaborative anti-fraud data sharing programs?

Administrative Expenses

10. What steps are you taking to lower administrative expenses?

Cost Variation

11. Does your enterprise track cost outliers among your in-network providers? If so, please describe the techniques you use to identify cost outliers, what steps are taken when an outlier is identified, and any efforts to correlate cost outliers with quality or consumer outcomes and

downstream/long-term cost avoidance (*e.g.*, provider with higher utilization of high cost procedures yields shorter recoveries, fewer follow ups and less need for medications).

12. Have you removed any provider from any of your networks primarily for reasons of cost over the past five years? If so, with reference to up to the five largest terminated providers (measured by the total cost of care paid by you and/or your members), please provide the total cost of care paid by you and/or your members to each such discontinued provider during each provider's last twelve months as an in-network provider.

Anthem Only

13. The rate buildup for individual plans reflects a Provider Scoping Initiative purge of low quality expensive providers, which applied a 1.7% savings in the rate projections. Please provide further data and details regarding the scope of the purge and criteria used to identify providers for purging and the total overall impact on the provider network. Please also provide further explanation as to why the rate buildup for small group plans does not include a savings for the Provider Scoping Initiative.

14. Please relate the data and explanation requested in #13 to the impact of Anthem's shift of off-exchange plans from the Century Preferred/BlueCare networks to the Pathway networks that occurred in 2019.

15. Provide further explanation as to why Anthem's projected trend for 2020 individual plans exceeds the trends found during the experience period.

ConnectiCare Only

16. Please provide further explanation regarding the disparity between CT Care's trend projections for individual market products (9.3% - 10.9%) versus small group market products (4.5%), particularly as it pertains to unit costs.

17. Please provide further data and analysis as to how the CareCentrix costs ($6.19 to $9.89 pmpm) that are included in the rate build-up impact rates overall. Explain and provide support for any offsetting savings realized from the CareCentrix costs.

UNIVERSAL HEALTH CARE
FOUNDATION OF CONNECTICUT

Connecticut Insurance Department

Informational Hearing on Proposed Rate Increases for On-Exchange Individual and Small Group Plans Sold on Access Health CT

September 4, 2019

Testimony Submitted For The Record

Thank you for the opportunity for the Universal Health Care Foundation of Connecticut to submit comment to the Connecticut Insurance Department on individual and small group plans sold on Access Health CT.

We have attended many of these rate review hearings to elevate the voice of everyday people who face real challenges affording health care. People like Sarah and her husband who buy their own insurance, paying $26,000 in premiums alone, not including the fact that they need to meet their high deductible before insurance coverage kicks in (you can see her story here).

Sarah's story is one of those we heard this year when we collected stories while advocating for the public option, and some of the stories are relevant to the proceedings today. We heard stories about the struggles people face affording their insurance on the individual and small group markets. There's Hank, whose wife can't retire because they need her income to afford his health insurance. And Jessica wouldn't mind paying her monthly premiums – if she just didn't have such a high deductible and other out-of-pocket costs. These are just three of the many stories we've heard – and our concern grows, as does the urgency to address challenges people are facing.

One theme we have heard over and over again is that the increase in high deductible health plans has consumers feeling the squeeze on their finances even more. While today's hearing focuses on health insurance premium rates, it is important to remember that people in these plans are on the hook not only for premiums, but ever-rising out-of-pocket costs, including sky-high deductibles. With high premiums and high deductibles, consumers are often stuck between a rock and a hard place.

290 Pratt Street | Meriden, CT 06450 | P 203.639.0550 | F 203.639.0519 | www.universalhealthct.org

We know that too many people will simply go without – either by not using their insurance because their cost share is too expensive, or by going uninsured. This not only threatens their own health, but the stability of the individual and small group markets. This process makes sure insurance companies are solvent – but what about consumer solvency? What about a consumer's ability to pay these rising costs – and what that does to *their* bottom line?

Rate increase requests are not as high as we have seen in past years, but there is a cumulative effect, year over year, on people's pocketbooks. But this is not only a pocketbook issue. When people can't afford to get care, there can be severe consequences. People don't get the medications they need, chronic conditions go untreated, people avoid the doctor, taking a gamble with their health and, ultimately, their lives.

An independent poll we released in October 2018 found that 50% of Connecticut adults experience a problem with health care affordability in the past year. We know from that poll that people are delaying and avoiding care, skipping recommended medical tests and treatment, using up their savings, wracking up credit card debt, and choosing between basic necessities and medical care.

We believe that Connecticut should take action and leadership on the issue of rising health care costs. We need solutions that continue to offer quality coverage at a price everyone can afford. It is the responsibility of state regulators to exercise their authority and power, be active in addressing challenges, and to engage with state leaders and real people for better solutions. We know we cannot achieve our vision alone and ask everyone to work together to give the residents of Connecticut relief.

Short links for reference

- Sarah's Story: http://bit.ly/SarahDarerStory
- Hank's Story: http://bit.ly/HankHoffmanStory
- Jessica's Story: http://bit.ly/JessicaAlejandroStory
- One pager of the independent poll: http://bit.ly/2018CHESSOnePage