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Katharine Wade
Commissioner
Insurance Department
153 Market Street
Hartford, Connecticut 06103

Dear Commissioner Wade:

Thank you for the opportunity to comment on the Anthem, Aetna, and ConnectiCare health plan rates that are the subject of hearings this week, and more broadly, the 18 health insurance plan proposed rates that have been submitted by various insurers for individuals and small groups. Some of these submitted rate increases are staggering – upwards to 40%. My office has received complaints from citizens about the size of these increases and their ability to afford such rates if approved by the Insurance Department – complaints similar to those at last week's hearing on the Anthem rate increase.

These proposed increases must be reduced.

Health insurance must be both affordable and accessible for individual consumers and businesses. The impact on small businesses – the major source of new jobs – can be particularly serious. Overall, these increased insurance costs can significantly impede business investment, job creation and economic growth in Connecticut. The Affordable Care Act (ACA) provided the opportunity for millions of Americans to obtain health insurance and receive necessary preventive care and critical treatment. The Act also recognizes that, in keeping health care affordable, the ACA necessarily required robust review and oversight of insurance rates. Such rates cannot simply be sufficient for the insurer to make a good profit but rather should be within the reach of those who need – and are required to have – health insurance.

Bringing transparency and scrutiny to proposed rate increases is at the core of the ACA and its ultimate goal of protecting consumers from unwarranted health care costs. To help achieve this commitment, the ACA mandates that any proposed rate increase at or above 10% by an individual or small group plan operating in Connecticut would be examined by the Connecticut Insurance Department. Smaller increases would be subject to discretionary review.

Further, the federal government awarded Connecticut \$1 million to help expand and enhance the state's review process, bringing a new level of consumer protection to Connecticut's citizens.¹

The effects of thorough rate reviews have already been felt in Connecticut and around the country. Last year, the Connecticut Insurance Department deemed certain proposed rates excessive and required revised proposals to keep premiums at a reasonable level.² Nationwide, rate review helped reduce total premiums by an estimated \$1.5 billion through 2015 – savings that would not have been possible without the ACA and a robust oversight by state Insurance Departments. Overall, rate review has benefitted an estimated 6.5 million consumers nationwide.³

As many in Connecticut know all too well, health care costs continue to constitute a significant burden on too many families and employers. Despite the historic advances made by the ACA, prescription drug costs continue to rise and out-of-pocket costs are becoming increasingly unmanageable for many. However, *Health Affairs* recently noted, "Health insurance was expensive before the ACA and continues to be, but the ACA appears to have had a salutary impact on premiums even while providing more robust coverage."⁴

I urge the Connecticut Insurance Department to aggressively review each rate filing, drill down on the assumptions behind the projected expenses and look for every opportunity to reduce, if not eliminate, the proposed rate increases and keep health insurance premiums within reach for working families in our state.

Sincerely,



Richard Blumenthal
United States Senate

¹ <https://www.cms.gov/ccio/Resources/Rate-Review-Grants/ct.html>

² <http://ctmirror.org/2015/09/08/anthem-individual-rates-to-rise-2-4-percent-connecticares-by-8-5-percent/>

³ https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/Rate-Review-Annual-Report_508.pdf

⁴ <http://healthaffairs.org/blog/2016/07/21/obamacare-premiums-are-lower-than-you-think/>