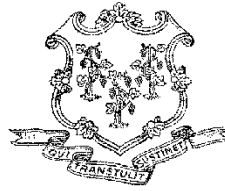


From: [Berlyn, Dina](#)
To: [Ratefilings_cid](#)
Subject: from Sen. Looney
Date: Friday, August 19, 2022 12:58:04 PM
Attachments: [rate increase comments.docx](#)

SENATOR MARTIN M. LOONEY
PRESIDENT PRO TEMPORE

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August 18, 2022

To: Commissioner Andrew Mais

From: Senator Martin Looney

I urge you to reject the outrageous rate filing requests that Connecticut's health insurance companies' have presented.

The rate increases requested by some of the health insurers are simply shocking. Some of these requests would represent about five times the rate of wage growth and about three times the rate of inflation. They are far beyond the current rate of healthcare inflation (4.8%)¹. Meanwhile these insurers are making historic profits. At the time the companies submitted their rate requests the Inflation Reduction Act had not yet been passed. Perhaps with the assurance of continued government premium subsidies and thus a more stable market the filing request would have been lower. However, even without the continued subsidies, the existing rate filings are unacceptable.

In addition to posting extraordinary profits, Cigna announced in June a plan for a \$3.5 billion stock buy-back². Cigna's "pharmacy benefit unit" revenue increase by 10% in large part due to growth in its specialty pharmacy unit which CEO David Cordiani noted "continues to represent one of the fastest growing parts of our health services portfolio."³ Let's be clear on what that means. While Cigna claims that it is struggling to

¹ https://ycharts.com/indicators/us_health_care_inflation_rate

² <https://www.marketwatch.com/story/cigna-to-buy-back-35-billion-of-its-stock-through-accelerated-repurchases-2022-06-16#:~:text=Cigna%20Corp.,stock%20closing%20price%20of%20%24247.10.>

³ <https://www.healthcarediver.com/news/cigna-q1-profit-increased-on-lower-covid-19-costs-as-patients-were-less-ill/623331/>

pay the high prices of pharmaceuticals, it is in fact profiting from the sale of these medications. A pending class action suit against Cigna includes claims that Cigna manipulates the amount billed such that an insured can actually be charged more than 30 times the charge to an uninsured patient⁴. PA 19-117 included language to curtail this practice. I do not believe Cigna is alone in this behavior. United Healthcare, which is based in Minnesota faces a similar class action suit there. All too often patients are considered solely as units of profit. Insurers must be held accountable and regulators must keep the welfare of the patient as the system's top priority.

I would like to address an absurd allegation that was made in Monday's hearing by some Republican State Senators that Democrats are blocking healthcare reform. Specifically, Republicans claim that Democrats have blocked reinsurance, a program designed for the benefit of insurers which can, as an incidental effect, reduce premiums for more affluent people who do not qualify for premium subsidies. Reinsurance is insurance for the insurers. It sends money to insurance companies, not insurance consumers. It is a bailout for insurance companies who are not struggling; insurance plan enrollees, not insurance companies, need help paying high medical bills. In addition, the provisions of the recently passed federal Inflation Reduction Act extend the American Rescue Plan Act provisions which offer direct premium assistance; this plan would seem to make state reinsurance programs obsolete and unnecessary. I would hope that there will be common ground on issues such as regulating PBMs and including affordability in rate setting. Rather than using this hearing to score political points using inaccurate information, I would ask my colleagues to join me in supporting legislation that protects patients in our healthcare system.

Thank you for the opportunity to submit testimony on this crucial matter.

⁴ <https://www.docketbird.com/court-documents/Neufeld-v-Cigna-Health-and-Life-Insurance-Company-et-al/ORDER-granting-in-part-and-denying-in-part-a-class-internal-cross-reference-link-href-55-55-a-Motion-to-Dismiss-Signed-by-Judge-Warren-W-Eginton-on-8-30-18-Ladd-Smith-l/ctd-3:2017-cv-01693-00097>