

NEW YORK
STATE
SENATE
ALBANY, NEW YORK 12247



August 4, 2014

Benjamin M. Lawsky, Superintendent
NYS Department of Financial Services
One State Street
New York, NY 10004-1511

Re: Proposed Premium Increases – NYS Marketplace Individual Plans

Dear Superintendent Lawsky,

We are writing regarding the proposals before you for unreasonably high premium rate increases for many of the health insurance plans offered on the New York State Health Exchange, or Marketplace. Our offices have received calls and correspondence from constituents concerned about the proposed increases and their ability to keep up with their premium payments going forward. We strongly urge you to reject the proposed increases.

The proposed premium increases would have a significant and widespread impact on New Yorkers. In fact, most of the insurance companies serving the largest number of enrollees on the individual market have requested the highest premium rate increases:¹

- Health Republic, which provides coverage to the highest percentage of Marketplace enrollees (19%), has proposed to increase their 2014 premium an astounding 15.2% over their 2013 premium level, which would affect 54,900 members.²
- Metro Plus, which covers 15% of Marketplace enrollees, has proposed a whopping 18.5% premium increase, which would affect 52,195 members.
- Empire BlueCross BlueShield, which covers 14% of Marketplace enrollees, has also proposed an 18% premium increase, which would affect 44,479 members.
- Emblem Health, which covers 9% of Marketplace enrollees, has proposed a 9.5% premium increase.
- MVP Health Care, which covers 8% of Marketplace enrollees, has proposed a 19.1% premium increase.
- Excellus BlueCross BlueShield, which covers 4% of Marketplace enrollees, has proposed a 19.7 % premium increase.

¹ Qualified Health Plan enrollment by issuer is obtained from "The Official Health Plan Marketplace, 2014 Open Enrollment Report, June 2014." Accessed at <http://info.nystateofhealth.ny.gov/sites/default/files/NYSOH%202014%20Open%20Enrollment%20Report.pdf>.

² Proposed premium rate increases accessed at <https://myportal.dfs.ny.gov/web/prior-approval/rate-applications-by-company>.

The Marketplace was established to fulfill the federal Affordable Care Act of 2010, with the goal of improving access to comprehensive, affordable health insurance to those citizens who need it most. Many of the citizens who utilize the Marketplace plans were previously uninsured. 63% of Marketplace applicants who enrolled in qualified health plans (QHPs) had been previously uninsured.³ Further, 79% of applicants who enrolled in QHPs and who also received subsidies—because of their lower income level—had previously been uninsured.⁴ We do not want these proposed increases to put hard-working New Yorkers back among the ranks of the uninsured. Furthermore, we are concerned that allowing these increases will undermine the successes that have been achieved through the Marketplace in reducing the number of uninsured in our state, as many of the newly insured may drop their coverage if premiums become unaffordable.

We are also concerned about the proposed increases given the serious complaints raised by our constituents over the last several months regarding their access to care and their experiences with the insurance companies that are proposing these exorbitant rate increases. These include complaints about not receiving their health care ID cards in a timely fashion and therefore not being able to functionally use their health care, difficulty getting in contact with the insurance companies when they have questions, and an ongoing litany of complaints about provider directories not being accurate or robust enough with providers to meet their needs. These complaints have also been well-documented by the media and within testimony submitted at a New York State Senate hearing on the Marketplace earlier this year.⁵

Given that the Marketplace is a state-administered program and the plans have been consistently marketed as affordable, approval of these increases would send a dangerous message regarding the commitment of New York to ensuring access to affordable health care.

We urge you to reject the proposed premium rate increases from the insurance carriers. Such action is necessary to protect the viability of the Marketplace as an affordable source of insurance for individuals in our state. Thank you for your attention to this important matter.

Sincerely,



Senator Liz Krueger
Ranker, Finance Committee



Senator Gustavo Rivera
Ranker, Health Committee

Cc: NYS DFS, Health Bureau – Premium Rate Adjustments

³ "The Official Health Plan Marketplace, 2014 Open Enrollment Report, June 2014." Accessed at <http://info.nystateofhealth.ny.gov/sites/default/files/NYSOH%202014%20Open%20Enrollment%20Report.pdf>.

⁴ *Ibid.*

⁵ Hartocollis, A. (2014, January 13). Mixed Reports on State Health Exchange. *The New York Times*. Retrieved from <http://www.nytimes.com>.
Ochs, R. (2014, February 3). 2 largest health exchange insurers face criticism. *Newsday*. Retrieved from <http://www.newsday.com>.
Public Hearing: New York State of Health: A Discussion on Implementation. NYS Senate Standing Committee on Health, January 13, 2014. Retrieved from <http://www.nysenate.gov/event/2014/jan/13/new-york-state-health-discussion-implementation>.