



UNIVERSAL HEALTH CARE
FOUNDATION OF CONNECTICUT

Connecticut Health Insurance Department
Informational Hearing on Proposed Rate Increases for On-Exchange Individual Plans
September 5, 2018
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 plans sold on Access Health CT. Please note that our comments apply to the entire individual market – both on and off-exchange – as everyone has similar challenges.

We've heard the same stories you have – people are having a really hard time affording their health insurance. And they feel like their concerns are falling on deaf ears. One woman let us know that she submitted comment for this process. She told us that health insurance premiums for her and her husband are 20% of their income – roughly \$20,000 a year in premiums alone, which doesn't include out-of-pocket costs. This is not unlike many stories we have heard – and our concern grows each year.

At the Foundation, we envision a health system that is accountable and responsive to the people it serves, and that supports our health, takes excellent care of all of us when we are sick, at a cost that doesn't threaten our financial security and continues to be an important source of quality employment and vitality in our communities. We're here today because we continue to believe in that vision, and in the need for leadership to address our health care challenges as a state.

We continue to be frustrated – as do consumers – that our testimony here today does not impact the outcome of this process. But to us it's important to continue to elevate the concerns of real people – and ask for *real* solutions to the challenge of rising health care costs.

We recognize that the Connecticut Insurance Department conducts due diligence during the rate review process, and has approved rates lower and higher than requested in the past. The publicly available website on rate filings and rate review is a

big step towards including people in the process. We believe that the Insurance Department could go even further to engage consumers – and find solutions for rising health insurance costs.

Rate increase requests are not as dramatic as last year, but the net effect, year over year, is that health insurance on the individual market unaffordable. While those under 400% FPL in the state exchange are mostly insulated from premium increases, they continue to struggle with out-of-pocket costs, with or without cost sharing reductions. Those above 400% FPL also struggle with these out-of-pocket costs, plus monthly premiums.

We understand that the cost of health care – hospital care, doctors' visits, outpatient procedures, lab tests, medications – continues to rise. We know that this impacts requests for rate increases. But we can't continue to put our heads in the sand about health care costs. If we keep ignoring the enormous elephant in the room, we will continue to see costs rise – and people will continue to suffer with poorer health and financial hardship.

We understand that rate review is an actuarial exercise for the regulators, but rising premiums are not an abstract math problem for families. Higher health care costs make for hard choices between getting care and other basic household needs. For those who aren't as close to the edge, health care costs are still eating into their income, pushing aside other expenses.

While health insurance rates increase, wages can't keep up. Rates could go up, on average, anywhere from 9 to 13% – but people are not getting a 9-13% raise in their paycheck. We think consumer affordability must be addressed. What good is health coverage if people are paying more and more to be under-insured?

We are concerned that those who can't afford insurance will simply go without – either by not using their insurance because their share is too expensive, or by going uninsured. This not only threatens their own health, but the stability of the individual market. 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?

We need solutions that continues to offer quality coverage at a price everyone can afford. We implore the Connecticut Insurance Department to use all its authority to be part of a public, inclusive process to find solutions that don't restrict access to critical medical care or compromise quality – and that leaves no one behind. We believe the Insurance Department has the resources, tools and knowledge to help our state address health insurance affordability challenges.

Other states are tackling health care affordability during the rate review process. For example, Rhode Island has a stand alone Department of Health Insurance that considers rate requests within the broader context of the performance of the health insurer. Vermont uses affordability as a metric when reviewing rates. This is not to say that Connecticut should adopt one way or the other – but Connecticut should consider creative solutions, like other New England states.

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. The Insurance Department should serve as a push back, not just pass through, for insurance companies. We know we cannot achieve our vision alone, and ask everyone to work together to give the residents of Connecticut relief.

We offer resources we think are important to the issue of affordability in health insurance rate review, and health care affordability overall (links & attached):

- [Making Healthcare Affordable: Finding a Common Approach to Measure Progress](#) (Altarum Healthcare Value Hub, Research Brief #16, January 2017)
- [Analytical Framework for State Cost Containment Models: Rhode Island](#) (CT Healthcare Cabinet, December 2016, Part of [the Cost Containment Study undertaken by the CT Healthcare Cabinet](#))
- [Health Insurance Rate Review Standards in Vermont](#) (CT Office of Legislative Research, October 2, 2017)