



UNIVERSAL HEALTH CARE  
FOUNDATION OF CONNECTICUT

## **Universal Health Care Foundation of Connecticut**

### **Testimony in Opposition to**

### **Anthem Health Plans, Inc. Rate Request**

**Public Hearing June 27, 2014**

I am here today on behalf of Universal Health Care Foundation of Connecticut (UHCF). My name is Jill Zorn, Senior Program Officer. UHCF is an independent, nonprofit foundation dedicated to achieving a high quality, affordable health care system that is accessible to everyone in the state. We work with a diverse array of partner organizations, as well as with individual consumers from throughout Connecticut. We are here today to register our opposition to Anthem's proposed rate increase for individual plans. It is too much and people cannot afford it.

First, we do not believe the rate hike hearing process is truly open and accessible to the people who are directly impacted by the Anthem rate request. In Anthem's rate filing they report that 66,200 Connecticut policyholders are affected. This process is a disservice to the residents of this state and should be remedied. We contacted thousands of individuals in our network, many of whom are Anthem policyholders. Despite receiving notice of the rate request from Anthem, many had no confidence that they could do anything to impact the process. And, more importantly, few if any, were available to show up to testify in Hartford at 9 a.m. on a Friday morning. This has a chilling effect on the consumer voice. We believe that there should be extra measures taken to schedule hearings when policyholders can participate. Allowing for written comments submitted online is not enough. This is, at best, one-way communication.

In addition to the consumer-unfriendly rate review process, the foundation has substantive concerns about Anthem's rationale for the rate hike request. Here are a few issues we'd like to raise:

- Is there sufficient claims experience for Anthem to substantiate such a rate increase, especially in light of the new exchange-based enrollees, some of whom began coverage as recently as April 1, 2014?
- How much access to care was effectively denied and/or delayed due to the inability of Anthem to put new exchange-based enrollees into the system and issue coverage cards in a timely manner during the first open enrollment period? It was well-established during the enrollment period that Anthem was not prepared to manage the volume of new business. In fact, they spent countless dollars on advertising to save face with consumers and policymakers.
- The 8.4% cost trend assumption in the rate filing seems too high, given that health care costs have grown at a far slower rate in the past few years. In addition, the Affordable Care Act has built in protections to help insurers manage risk in the early years of implementation. These programs of risk adjustment, reinsurance and risk corridors are designed to mitigate the effects

of the potential for "pent-up" demand and higher morbidity among previously uninsured policyholders.

- The Anthem morbidity adjustment is based on "a CDC study on the health status and lifestyles of both currently insured and uninsured populations." It is our understanding that the CDC study shows Connecticut's insured and uninsured populations to be in better health than the national average. Should this data be permitted as a factor in substantiating Anthem's rate request?

Finally, we believe that the current rate request provides further evidence that our state exchange, Access Health CT, should take the role of an "active purchaser." It is important that the exchange use its position to actively advocate for the interests of the customers purchasing health plans in the exchange marketplace and negotiate rates with insurers wishing to do business in the exchange. Attempts to require this of Access Health CT have been turned back in the last two legislative sessions. It is disappointing that Access Health CT has not intervened on behalf of Anthem policyholders buying in the exchange.

The foundation is watching this rate review process closely. Anthem is only one insurer asking for a rate increase, but it is an insurer that enjoys a large share of the Connecticut market. The residents of this state deserve the strongest vigilance on the part of regulators and the active protection of all parties involved in delivering health insurance options. We urge you to sharpen your pencils and carefully review all input in this rate review hearing, most especially the comments of policyholders who could not be here today. Those comments are representative of thousands of people struggling to afford health coverage. Our state owes it to them not to just rubber stamp Anthem's request to raise premiums.