

## La Nueva Mayoría

By David R. Jones



### Explain Those Health Insurance Premium Rate Hikes!

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*"The rate proposed increase in health insurance premiums for Small Groups of 20% in 2012 is an outrage. Please reconsider -- you are killing small businesses!"*

*"I received a letter stating that my insurance co. is asking for an eighteen percent increase in premium for next year. This .....means that my premium will be more than my rent! Why are they being allowed to do this? It seems to me that the insurance companies are gouging the consumer because they can."*

*"Please intervene on this lunacy. How is the average person going to be able to afford what amounts to a 20% increase in premium. I can assure you no one is getting a 20% salary increase."*

"We can barely afford to pay what we're paying. Big business and the upper class in this country, continue to thrive, while the middle and lower class wither on the vine. I'm angry, frustrated, but mostly scared. I'm scared I'm not going to be able to pay for my insurance."

These are just a few of the letters written to the state's [Financial Services Department](#) by New Yorkers as the state decided whether to allow rate increases without a good explanation by the insurance carriers. Every rate increase will mean that a number of low-income and unemployed New Yorkers will be without insurance coverage.

Many Latino families have lost their employer-sponsored health insurance. Statewide, over 30 percent of Latinos – more than 600,000 people - ages 19 to 64 are uninsured.

The Financial Services Department now intends to go public with details of the rate-increase applications it has received from health plans. Those applications - affecting about three million people with individually purchased or small-group coverage - call for rate increases ranging from 10 percent to 56 percent.

The average cost of employer-provided family coverage in this state is nearly \$15,000 a year – close to \$24,000 a year on the individual market - among the highest in the country, and almost double what it was 10 years ago. The problem is that we do not know exactly why we shell out such exorbitant sums. That began to change last year, when the state Legislature restored the power of state regulators to reject or lower premium increases.

The state has instituted a prior approval process that allows public input on proposed rate increases. But without the necessary rate justification information from the insurance companies, it is hard to make an informed argument whether or not the rate increase is necessary. People have a right to know why they are being asked to spend so much more each year.

Some people believe that insurance companies would enact steep premium increases prior to the full implementation of the Affordable Care Act in 2014. I suspect that they are correct. From 1996 to 1999, small group premiums increased an average of 5 percent annually. After premium increases were deregulated in 2000, these increases averaged 14 percent annually.

Health Care For All New York (HCFANY) is a statewide coalition of more than 120 organizations, including the Community Service Society, dedicated to winning affordable, comprehensive, and high quality health care for all. HCFANY has filed objections with the State Department of Financial Services about the proposed increases.

In nearly all cases, the notices and narrative summaries sent by the carriers to consumers and small business simply allege medical trends without any supporting evidence or documentation.

By making the application documents public, minus those very few details that would compromise the plans' legitimate trade secrets, consumers can see for themselves the rationale behind the rate increases. The state should make this process as transparent as possible.

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David R. Jones is president and CEO of the Community Service Society (CSS), the leading voice on behalf of low-income New Yorkers for over 165 years. For over 10 years he served as a member of the board of directors of the Puerto Rican Legal Defense and Education Fund. The views expressed in this column are solely those of the writer.