



08/08/2011 12:21 PM

To PremiumRateIncreases@ins.state.ny.us  
cc  
Subject Re: Comments on Empire HealthChoice HMO  
Health Insurance Rates Filings

Charles Lovejoy  
Health Bureau  
New York State Insurance Dept.

Dear Mr. Lovejoy,

[REDACTED] who have had an Empire BC/BS health insurance policy (straight HMO) since the 2003. [REDACTED] we pay the premium entirely out of pocket. Every year, without fail, the premium has risen at the time of our "anniversary" month to the point that we now pay \$2579.22 a month. In 2006 our monthly premium was \$1163; as you can see, in five years that has more than doubled. If the requested rate increase is approved, our monthly premium, starting this November, will be \$3040.90. This is just too high a burden. But that is not the only reason we protest this increase.

In past years, we've received increase notices from BC/BS stating that, despite their best efforts to keep costs down, they need to increase premiums. I've written to ask them what sort of efforts they've made, but have never received any reply. The fact that the rate increases automatically every year leaves me suspecting that BC/BS raises premiums simply because they can. We have seen no increases or improvements in services to go along with our ever-increasing premiums, and have noticed that BC/BS attempts to deny payments whenever possible.

We would also like you to know that a few years ago one of us required treatment for a fairly serious medical condition and, with the approval of the doctors we consulted, opted for the less-invasive, yet still highly-specialized treatment option. When the doctor could not perform the procedure because his hospital's new equipment wasn't ready, we tried to find another qualified in-network doctor and hospital. Rather than assist in this search, BC/BS attempted to steer us to a more invasive and more expensive procedure, simply because it is what they usually saw for this condition. Let us be clear: the 3 physicians we consulted all agreed that the less-invasive treatment was completely appropriate (and in this case possibly even *more*

appropriate than the other option), and it is on the list of approved treatments for the condition. Eventually, we were able to find an in-network doctor and hospital, but not with any help from BC/BS, which, again attempted to steer us to a more expensive, invasive, and dangerous procedure.

Please do not approve this rate increase. Please consider the burden individual members like us are forced to bear when rates go up.

Thank you for your consideration.



08/09/2011 07:22 PM

To

cc

Subject Comments on Empire HealthChoice HMO Health Insurance Rates Filings

Please, please, please DO NOT APPROVE the 17.9% rate increase requested by Empire HealthChoice HMO--Blue Cross Blue Shield. We are on a very limited and fixed income and health insurance is our largest expense annually. The \$102 rate increase we've already experienced in one year is 5% on our already expensive HMO policy which went from \$2456.40 for [REDACTED] to current rate of \$2579.22 for [REDACTED]. A 17.9% increase that is what is requested by Empire of the NYS Ins. Dept. would mean a rate hike of \$461.68 on top of the \$102 we've already experienced. This would be a 22% increase in rates in 18 months! We simply can't afford it. We'll end up with no coverage for insurance which will cost the state even more money.

Please reply on your point of view. I am available to testify in person and speak on this matter from a consumer's perspective if this would be helpful.

Thank you!



08/11/2011 03:22 PM

To

cc

Subject Comments on Empire HealthChoice HMO Health Insurance



08/22/2011 10:39 AM

To

cc

Subject Re: Proposed Empire BC/BS Premiums Increase

To: NY State Insurance Department

Re: Proposed Empire BC/BS Individual Premium Increases

I was recently notified by Empire BC/BS in writing that they have applied for a 17.9% increase for individual coverage policies. Their letter states that "each year rising medical costs, and the growing use of medical goods and services combine to drive health care costs higher. To cover these costs, we must modify premium rates." ( Note "modify" rather than "jack up" : top marks for linguistic gymnastics.)

According to the Bureau of Labor Statistics nationwide CPI inflation data for June, released July 15, 2011, medical costs increased by 2.9% in the year to June 2011, comprising 2.9% year-on-year inflation in the categories of medical care commodities and services, and 2.3% in professional services. The BLS report for the same period for the New York/Northern New Jersey/Long Island area shows a year-on-year rise in medical cost of 3%.\*

Let's take that 3% as a baseline, a figure, incidentally, not substantially different from what the BLS has been reporting month in, month out for the past few years. Unless the 3% BLS figure is totally bogus, it is difficult to see any justification for the increases Empire (and, I presume, their fellow oligopolists) are seeking. Insofar as Empire's costs are the product of medical inflation and use of medical goods and services, is there any evidence that the volume of their goods and services is (and has been) increasing at 1.179/1.03, i.e. approx. 14.5% p.a.?

According to publicly available data (WellPoint's 2010 Form 10-K), Empire parent WellPoint's Benefit Expense to Premiums ratio has decreased from 84.5% in 2008 to 83.6% in 2009 to 83.2% in 2010. The report estimates care-cost increases for the group at 6-6.5% in 2010 (i.e., again the product of medical inflation and volume of goods and services provided). \*\*

Their enrollment over the years has been rising at a very slow rate (1.1% yr/yr at 3/31/11) and declining substantially in some categories, e.g. Individual, due, one would imagine, to the rapacious price increases being implemented with depressing regularity. \*\*\*

Based on the numbers in their reports, therefore, there are no grounds for the increase Empire is applying for. Since we obviously do not have a truly competitive, free market in health insurance, arguments against regulation and price controls fall by the wayside. I therefore suggest that you either make a public and very vociferous statement to the effect that the government inflation data are spurious or, if that is not the case, in your view, I suggest that you cap the proposed increase at 3%, in line with what you by implication regard as the going rate of medical inflation.

Alternatively, should you feel especially generous to them ("regulatory capture" à la the disastrous oversight of the financial services industry resulting in the 2008 meltdown?), it is still difficult to see how anything in excess of a 6.5% increase can be justified, which is more than 10 percentage points below what they are asking for.

Last but not least, note that WellPoint is enjoying a return on equity in excess of 10%, which, in an era of virtually zero interest rates, and low single-digit long-term bond yields, is more than ample.