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HEALTH BUREAU  
N.Y.C. OFFICE

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This letter addresses my reaction to a letter from Oxford Health plans on its request to raise premium rates to subscribers in New York State. I have their Freedom Plan that I obtained as a single person employer. I have [REDACTED] I have seen yearly premium rate increases of 10%+ every year since entering the plan. The current monthly premium is \$2123.64. I live in [REDACTED] The rate was raised June 2011 and Oxford seeks another increase.

First, we all realize the pervasive discussions of the Health Care juggernaut. Anyone who listens has heard that costs have risen, demand is ever-increasing and people who don't support the system are draining resources.

It should be the main job of the State Insurance Department to fully understand these factors. If the State Insurance Department has the authority to limit rate increases, it should have a wealth of statistics to base its decisions. It is complicated to price a health insurance premium, but it should not be impossible. If a meteorologist can predict what town can get so much snow in the next snowstorm, it should not be impossible to predict healthcare costs for an average family. It comes down to data and formulas. Private organizations such as Kaiser or industry analysts such as AHIP (American Health Insurance Plans) provide data. There are dozens more. The point of my letter is not to address the control of costs.

The problem I have is twofold. First, I have difficulty understanding why there is a vast difference in the benefits I enjoy in relation to what I perceive to be the cost level nationally. Specifically, according to Centers for Medicare & Medicaid Services, Office of the Actuary, the per capita cost for HEALTHCARE was \$7500(2008). A family of four like mine would have a burden of \$30,000. This figure would include Hospital, Physician, Nursing Home, Mental, Dental, Vision and Prescription and Long-term care costs.

The portion of the Healthcare pie that my Oxford policy covers is more like 65%. My Oxford policy does not include Vision, Dental, Prescription or Long-Term care. Oxford was offering me prescription coverage for an additional \$1600/month (**not** based on my family's usage). Currently my Oxford premium is equivalent to 90% of the statistical full spectrum cost for American HealthCare (for 4 persons), but I only have 65% of the coverage. This also does not take into account out of pocket expenses which I may have above what I pay in premiums.

If I am paying \$25,484 a year, (85% of the national statistical cost), then why not a lot better coverage? \$25,000 is an amazing amount of money.

The second problem I have is I have noticed that nearly everyone I know has premiums set way below mine. How is this possible? Teachers, nurses and bus drivers all get health insurance. ~~I understand~~ they may use different networks than mine. (Are my doctors so much better?) However these groups enjoy comprehensive coverage. They get Prescription, Dental, Vision. I believe the key word here is GROUP. According to Kaiser Health, in 2010 the average family premium for employer-based health insurance was \$14,730 in New York State. That's half of what I'm going to pay. I strongly doubt that the "average" plan is a catastrophic plan or a plan missing prescription drugs. Since median family income across the US is \$50,221 (NYS is \$54,659) according to the US Census Bureau (data 2010), these families are somehow affording Comprehensive Health Insurance. These families are getting

group rates which are lower than mine. The risk to insure me is the same as the risk to insure a schoolteacher. It seems to be unavailable to people like me who don't belong to a group. My conclusion is small groups are being **severely disadvantaged** in the rate structure.

In the NYS Insurance Welcome page it is noted that the Department is seeking greater transparency in Insurers reporting. This is very positive. Also, there must be a cap on Insurers profits as expressed in the Medical Loss Ratio. Finally, I want to know if my premium dollars are going into paying claims or funding administrative costs for other policies that my Insurer underwrites. I have observed that United HealthCare, the parent company of Oxford, also administers other plans such as Americhoice. Can it be that I subsidize these plans with my tax dollars and again with my premium dollars?

Outside New York, small groups are able to buy into "exchanges". I have seriously considered moving out of New York State on this issue alone. I would be severing all social and professional connections. I am currently considered healthy. For me the *cost of health insurance is* scarier than the cost of healthcare. It is destroying my financial independence as well as my lifestyle. I am not able to take vacation, fund retirement or contribute to a college fund. I hope my concerns will be addressed.

