

November 29, 2011

Mr. Charles Lovejoy  
Premium Rate Increases  
Health Bureau, 2<sup>nd</sup> Floor  
New York Department of Financial Services  
25 Beaver Street  
New York, NY 10004

RECEIVED  
DEC 06 2011  
HEALTH BUREAU  
N.Y.C. OFFICE

I write to express my concern about the rate change request that my health insurer, Empire BlueCross BlueShield HMO ("Empire"), has submitted to the New York Department of Financial Services ("NYDFS"). Empire seeks approval to raise the monthly premium on our health plan from 19% - 24% (see attachment). If approved, our premium would increase starting May 1, 2012.

My husband is self-employed and is solely responsible for paying for our family's health insurance. His business is suffering in this economy and we, like thousands of other people, are finding it more and more difficult to make ends meet. Each and every year, Empire submits a rate change request to NYDFS seeking permission to raise the premium on our health insurance plan and each and every year its request is approved. The average annual premium rate increase for the past five year period is over 15%. This average annual increase grossly exceeds the average annual inflation index for that period of time. Because of these substantial increases, my family is finding it difficult, if not impossible, to maintain suitable health care coverage. Indeed, in 2009, in an effort to contain our health insurance costs, we were forced to down grade our health insurance plan to the most austere plan available through Empire. However, despite our best efforts, we are, once again, struggling to maintain our insurance because of its skyrocketing cost. There is nothing we can do to lower our premium any further. Our co-pays and deductibles are at the maximum available and we are enrolled in the least expensive HMO plan available through Empire. Despite our substantial reduction in the scope of coverage, because of the substantial annual increases, our monthly premium has worked its way up to \$1500 a month and, if yet another increase is granted, it will be approximately \$1800 a month by May 2012. Regular annual increases of this magnitude are unconscionable and are making it impossible for self-employed individuals to maintain health insurance, particularly in the current economic climate.

On both a State and National level the political rhetoric has been focused on stressing the importance of making and keeping health care insurance affordable. Yet, year after year, nothing is done to compel health care insurance providers to keep their premiums in check. To the consumer, it appears that they apply for an increase and receive the increase, regardless of the business realities of the health insurance industry. Although benefits and covered services are routinely cut and compensation paid to doctors participating in the plans are constantly

negotiated down to the bare minimum, salaries being paid to the CEOs and other principals and employees of the insurance companies appear to remain unchecked and overly generous.

Unlike other sectors of the economy, market forces do not work well protecting the consumer in the health insurance sector. Health insurance is a practical necessity and the consumer has few alternative choices. Moreover, it is extremely difficult to compare and shop for health insurance coverage and a poor choice can have dire consequences on the consumer. Accordingly, the oversight, review and regulation of the insurer's price practices afforded by your office is imperative to our nation's goal of making sure affordable health care coverage is available to its citizens and we ask that Empire's request be closely scrutinized and denied.

